



Department of Industrial Accidents

FY 1995 ANNUAL REPORT

FY 1995 GOVERN THE GOOD MELTS

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Workers' Compensation Reform

PROGRESS

for Labor, Business, and Insurers in Massachusetts



William F. Weld GOVERNOR

Argeo Paul Cellucci LIEUTENANT GOVERNOR Christine E. Morris SECRETARY OF LABOR

James J. Campbell COMMISSIONER

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INTRODUCTION TO WORKERS' COMPENSATION IN MASSACHUSETTS

The concept of Workers' Compensation was formally activated in Massachusetts in 1912. This system became known as the "Poor Man's Court" as it replaced the court system as the means of resolving contested injured workers' claims for compensation.

Few changes were forthcoming in the next 70 years (between 1912 and the mid 80's). In 1985 and 86 provisions were made that opened regional offices, created cost of living adjustments, established a "trust fund" to pay for claims of workers in the employ of **uninsured employers**, and established a vocational rehabilitation program.

While these were necessary changes to the workers' compensation system, it was the reform act of 1991, Chapter 398, that addressed the crux of the contemporary problem in Massachusetts. As you will note from our past performance and in your review of this document, this administration turned the system from a cumbersome and expensive effort wrought with fraud, into an effective and efficient process that has benefited labor and business in the Commonwealth.







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DEPARTMENT OF INDUSTRIAL
ACCIDENTS
ANNUAL REPORT
FY 1995

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COMMISSIONER'S REMARKS

From the top

commissioner's comments

Fiscal Year 1995 has been a banner year. For the second year in a row the workers' compensation premium rate has dropped, this year a substantial 16.2%. Of yet more significance, FY1994 and 1995 show the first decreases in over two decades! The Assigned Risk Pool, as a percentage of the total market premium, continues to decline from the high of 66% to the current 31%. And claims continue to diminish to 24,394, a near 42% decrease from the pre-reform act high of 40,575. These achievements are a direct result of the Massachusetts Workers' Compensation Reform Act.

Five years ago, on December 23, 1991, Governor Weld signed a Workers' Compensation Reform Act titled "AN ACT RELATIVE TO FAIR AND EFFECTIVE COMPENSATION OF INJURED WORKERS". Governor Weld's Reform Act was passed only after a year of Administration and Legislative coordination and effort that recognized that economics and the costs of the Workers' Compensation system were driving employers and insurers out of business in Massachusetts and that our workers were receiving less than optimum consideration and treatment in the Workers' Compensation system.

This new law had far reaching implications and effects. Strong statutory provisions addressing fraud and the ability of the Department of Industrial Accidents and insurance providers to combat fraud were enacted. Administrative, procedural and benefits changes have been introduced as well as definition for "Personal injury". The function of vocational rehabilitation had been expanded. The use of "Impartial Physicians" was introduced (as an alternative to "dueling doctors") for the purposes of determining injury and extent of injury. Other changes in the medical area include limits in the ability of injured workers to change treating doctors and the creating of preferred medical providers. The process of Dispute Resolution was subject to dramatic modification. A Senior Judge position was created, additional Administrative and Administrative Law Judges were authorized and the "same Judge" rule ensures one judge hears all aspects of a single case. Conciliation, as a dispute resolution tool, was expanded and Alternative Dispute Resolution was permitted.

Our last report covered the years from FY1990 to 1994 and addressed the problems this administration faced when I took over the reins as Commissioner in October, 1991. The workers' compensation system was on its knees with some "doubt sayers" predicting bankruptcy or worse. A then recent State Audit (No. 92-4011-3) condemned the Department for near total lack of management. And we had the then brand new Reform Act on the table. Our previous Annual Report shows the positive impact of the Weld/Cellucci Workers' Compensation Reform Act and the results of the Department's hard work.

As an update, it is again my pleasure to state that the Department has met each and every milestone within the prescribed time frame of the Reform Act, and that we continue the cutting edge development of a medical management system.

Last year I reported some impressive accomplishments and summarized some of the results of our efforts. This year I'd like to update those results for you:

* An estimated **180,000 workers** were brought under Workers' Compensation insurance coverage between 1993 and 1995.

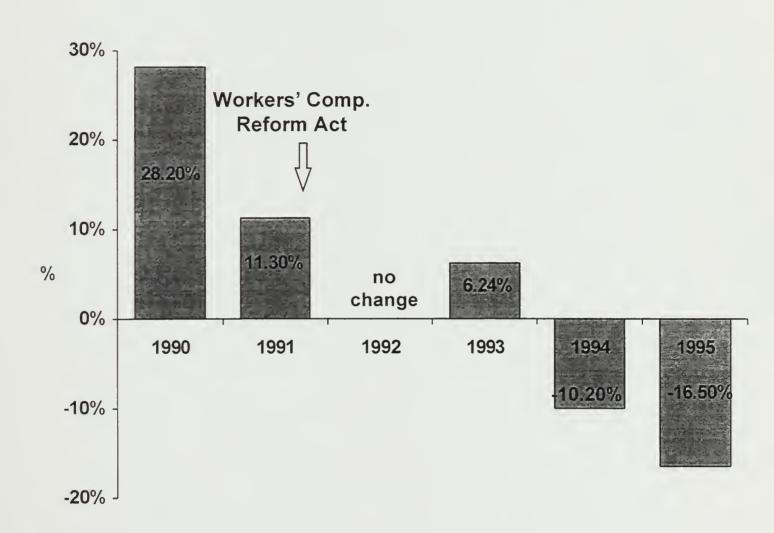
- * **Dispute Resolution Case backlog** has been reduced to the point of there being no backlog for scheduling purposes.
- * Average time until an injured worker appears before a judge continues to decrease.
- * Claims have decreased by 42%.
- * The employers' **premium rate** dropped by 10.2% in 1994, and 16.5% in 1995 (for a total of 26.7%), the first rate reductions in over two decades.
- * The Insurance Industry continues to report a declining "Assigned Risk Pool"
- * The Medical Consultant Consortium (MCC), consisting of several prominent physicians, act as my medical consultants. In FY95, the MCC developed a protocol for a system of quality assurance for the physicians on the impartial physician roster and with the Massachusetts Medical Society, the MCC and the DIA conducted three seminars for physicians addressing both treatment guidelines and utilization review.
- * Actuarial and Technical Solutions, Inc. report that although Massachusetts has reduced costs it still has one of the most generous workers' compensation packages in the country.
- * A Patriot Ledger article stated "A Turnaround of this magnitude in the (workers' compensation) system, once alleged to be beyond repair, is almost unprecedented nationwide, and certainly never happened in Massachusetts before."
- * And a Recent Boston Globe editorial stated "Since the low-water mark of 1989, Massachusetts has accomplished the nation's single greatest turnaround in the decade-long workers' compensation crisis."

Let me acknowledge a few of the players whose contributions were of such importance that without them the system might not have as successfully supported the healthy Massachusetts economy, reduced the cost of the workers' compensation, shrunk the Assigned Risk Pool, and supported the commonwealth's work force. Director of Administration Tom Griffin and Senior Judge Joe Jennings made the system work every day; Secretary of Labor Christine Morris provided policy and decisions and then had the patience to let them succeed; and Governor Weld and Lieutenant Governor Cellucci gave us our catalyst, the Workers' Compensation Reform Act, their guidance, and support and the tools to accomplish the mission.

Finally, I am very proud and appreciative of the job that the people in our Department have done in implementing the Reform Act, in correcting the identified shortcomings, and the many other problem areas that became apparent as we proceed through the reform.

Commissioner





RATE CHANGES IN EMPLOYERS' PREMIUMS







FINANCE & ACCOUNTING

Balancing the books

Highlights

- Personal Computers for Finance and Accounting were installed in FY95. This supports our continued commitment to automation for efficiency and accuracy.
- F&A was chosen as pilot for a long-term imaging and workflow system. New PCs and monitors necessary to support such a system have been installed. The imaging and workflow software have been purchased as well as a high-speed scanner. The pilot program will commence in FY96.

• F&A registered with the Office of the State Comptroller to allow Electronic Data Interchange (EDI) with selected vendors.

Finance and Accounting

During Fiscal Year 1995. DIA changed the name of the Budget Unit to Finance and Accounting. The name Budget Unit reflects only a fraction of the tasks that our area performs. Finance and Accounting (F&A) is a more appropriate name since our responsibilities encompass accounts payable, accounts receivable, purchasing, contract management, investment of departmental funds, and financial reporting as well as financial forecasting and budgeting. Several areas of the DIA have grown significantly over the past year resulting in a directly proportional increase of workload for F&A. We have thus far managed to find the efficiencies necessary to complete the job without having to add to the staff.

Finance and Accounting's Debt Collection program, that began in 1992, has continued to reduce the \$17,984,873 identified by the auditors as uncollected fees, fines, and penalties that existed when the current administration took office. In FY 1995 we initiated additional categories of debt to the collection agency that will improve the collection effort during this and in future years.

Fiscal year 1995 also saw the inception of Intercept. Intercept is a program initiated by the Commonwealth to assist in collecting funds from vendors, employees, and others who are owed money from one State agency, but have an outstanding debt from another State agency. For example, if a company owes money to the DIA for a fine and is expecting a tax refund from DOR, the DIA can intercept that portion of the tax refund to cover what is owed to DIA. One of F&A's goals for FY 1996 will be to become more involved in the Intercept process.

Electronic Data Interchange (EDI) became available for use with selected vendors during FY 1995. EDI technology allows for the computer-to-computer exchange of documents in a standard electronic format. The vendors currently utilizing EDI with the Commonwealth are MacIsaac for commodity goods, and Retro-Fit and I-NET for information technology goods and services. Several more vendors are expected to participate in FY 1996. The benefit of using EDI is that it eliminates the need for exchanging hard-copy documents for purchase orders, invoices, and confirmations of receipt. This technology will allow for more efficient ordering and payment as well as enhanced tracking and auditing capabilities on purchases. As with any new procedure there are learning curves involved, but it is expected that the efficiencies gained from this new technology will far outweigh the costs.

Although we only recently completed installing PCs throughout F&A we have already automated and become more efficient in several daily tasks. Working in the Microsoft Windows environment we can view the MMARS mainframe screens on the same monitor as a spreadsheet on which we may be working. This allows us to update the information

in the spreadsheet without having to do screen prints or move between PCs and the old MMARS/ITT terminals. The addition of PCs has also led to the creation of two new applications created with Microsoft Access.

The information regarding the DIA's contracts with impartial physicians was previously kept in Diameter. The new Impartial Physician Database using Microsoft Access allows us to be more flexible in the reporting of the contracted physicians. Since the database is maintained within F&A, we can make changes to the system and run reports on demand instead of having to submit requests to Data Processing.

The COLA Reimbursement System that was implemented during FY 1995 is a completely new tool used by F&A. Previously, F&A staff would have to manually check calculations for each COLA reimbursement for which an insurance company was billing. To do this the correct multiplier must be found by finding the appropriate table according to the year of the reimbursement and searching for the multiplier on that table based on the year of the employee's injury. This is not only time consuming, but since it is very tedious it could be prone to errors as well. Additionally, if a call were placed to F&A requesting information on a particular payment, staff members would have to manually search for the file in question. The current COLA Reimbursement System uses the dates and base benefit amount entered into the system to find the correct multiplier and perform the necessary calculations automatically. Not only does this save time and reduce the chance for error, but the information is now captured in a relational database format for easy reporting.

Note: In the following charts - **Debt Collection** and **Collected Fees and Fines** there is a decline in collected amounts for FY95 due to the success of our debt collection program in collecting old debt (from the mid 80's and early 90's) in FY 92 - 94. Debt collections are leveling off and becoming primarily collections of current debt.



Financial Process

STATE
GENERAL
FUND
_

R P Ε P R M 0 B P U R R S E A T M E 0 N

SPECIAL
FUND
(ANNUAL OPERATING

BUDGET)

COLA SEC.65 UNINSURED SEC. 37/37A

> PRIVATE TRUST FUND

PUBLIC TRUST FUND

COLA

PRIVATE EMPLOYER ASSESSMENT PRIVATE EMPLOYER ASSESSMENT PUBLIC EMPLOYER ASSESSMENT

FEES

FINES

REVENUE



The Department of Industrial Accidents Appropriation for Fiscal Year 1995 Special Fund

Budget Requested	\$ 17,549,861
Appropriated	17,549,861
Expended	 16,432,599
Unexpended	1,117,262

Department of Industrial Accidents Financial Report Collections & Expenditures Fiscal Year 1995

Special Fund

Collections		·
Interest	\$	585,191
Assessment	\$	21,084,055
Returned Checks		(44)
Refunds		(10,354)
Adjustments		(3,241)
Sub-total	\$	21,070,416
Filing Fees	\$	3,821,447
Collection Fee	\$	(10,354)
Returned Checks	,	(2,566)
Refunds	-	(3,014)
Sub-total	\$	3,805,513
C. co		005.000
1st Report Fines	\$	665,226
Collection Fee	\$	(9,218)
Returned Checks		(1,200)
Refunds		(1,500)
Sub-total	\$	653,308
Late Assessment Fines	\$	25,701
Stop Work Orders		370,271
Sec. 7 Fines		10,400
Sec. 14		
Misc.		12,876
Sub-total Sub-total	\$	419,248
Total Collections	\$	26,533,676
Expenditures		
Salaries	\$	8,301,654
Fringe Benefits		2,625,439
Indirect Costs		377,174
Non-Personnel Costs		2,516,152
Misc.		2,290
UMASS		
Judgment - Daly		
Payment from Tape Match Accounts Total Expenditures	\$	13,822,709
Previous Year Balance	\$	6,015,882
Net Collections		12,710,967
Year End Balance	\$	18,726,849
Tour Elia Dalarioo	LY	10,720,049

Department of Industrial Accidents Financial Report Collections & Expenditures Fiscal Year 1995

Private Trust

Collections

001100110		
Interest	\$	620,028
Assessment		30,147,213
Refunds		(5,285)
Returned Checks		(2,129)
Adjustments		(92,088)
Sub-Total		30,047,711
Reimbursement (Sec. 65)		1,129,709
Returned Checks		(4,772)
Adjustments		95,899
Collection Fees		(27,549)
Sub-Total		1,193,287
Sec. 30H		54,215
Second Injury		
Securities		
Stop Work Order Fines		
Total Collections	\$:	31,915,241

Expenditures

Administrative	\$ 1,258,660
COLA & Related Expenses	21,353,127
Consultants & other temps.	222,805
Defense of the Fund	581,599
Claims Expenses	2,011,372
Claims Payments	6,087,128
Employee Expenses	100,304
Vocational Rehab. Expenses	75,469
Total Expenditures	\$ 31,690,464

Previous Year Balance	\$ 12,363,486
Net Collections	224,777
Year End Balance	\$ 12,588,263

Public Trust

Collections

Interest	\$ -
Assessment	1,419,799
Refunds	(9,024)
Sec. 30H	4,192
Total Collections	1,414,967

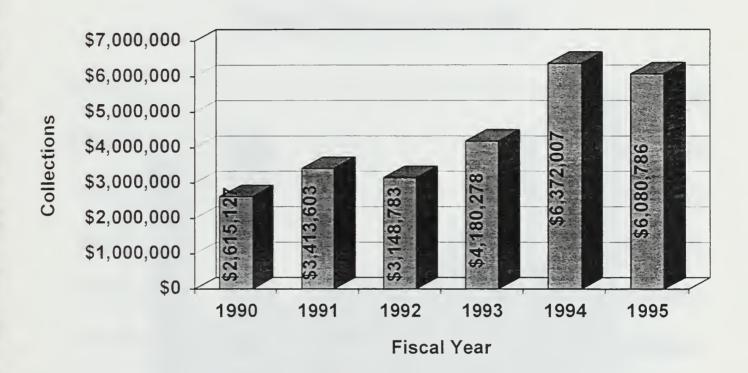
Expenditures

COLA	1,514,040
Sec. 37	18,345
Latency Claims	-
Sec. 30H	
Total Expenditures	1,532,385

Previous Year Balance	\$ 285,328
Net Collections	(117,418)
Year End Balance	167,910



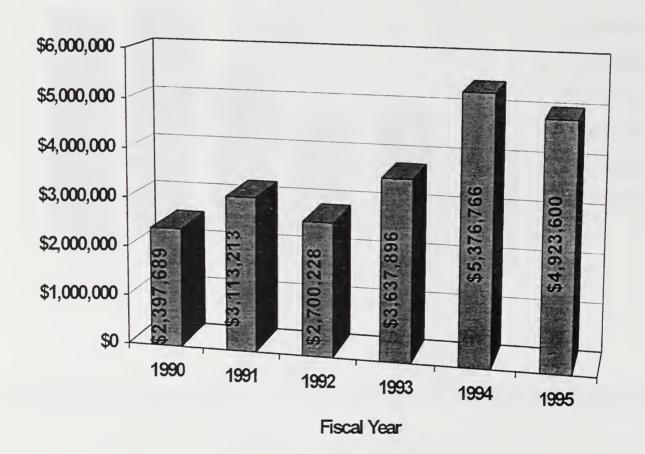
Office of Finance & Accounting



DEBT COLLECTION



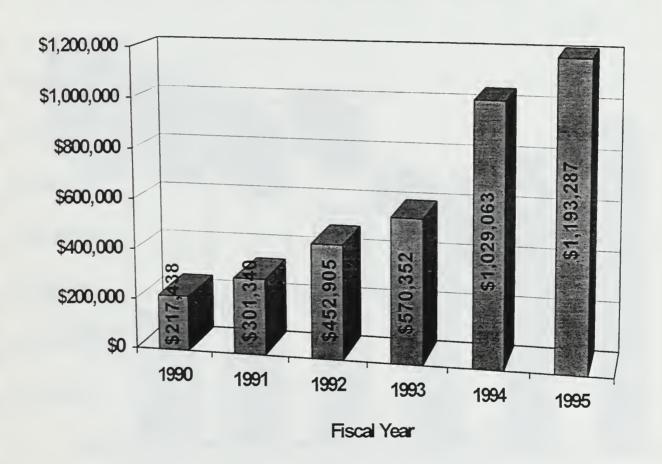
Office of Finance & Accounting



COLLECTED FINES AND FEES



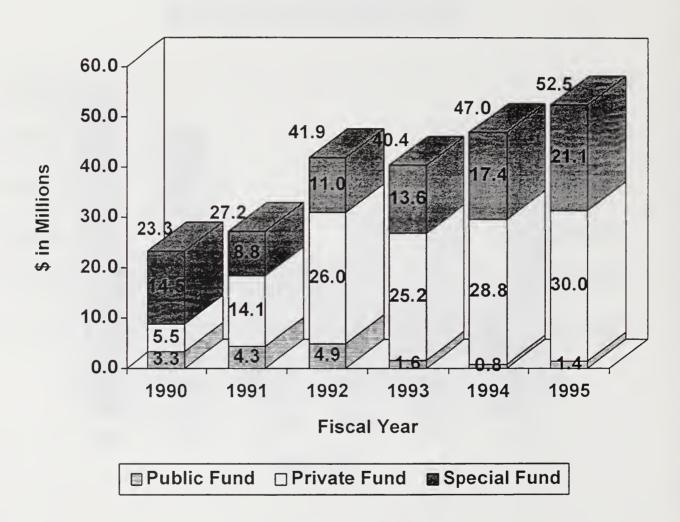
Office of Finance & Accounting



Uninsured Employers (Section 65 Reimbursements)



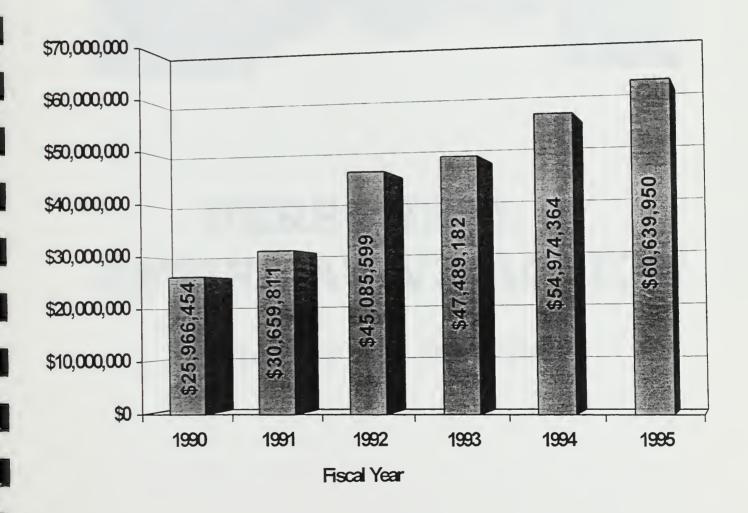
Office of Finance & Accounting



Assessment Collections

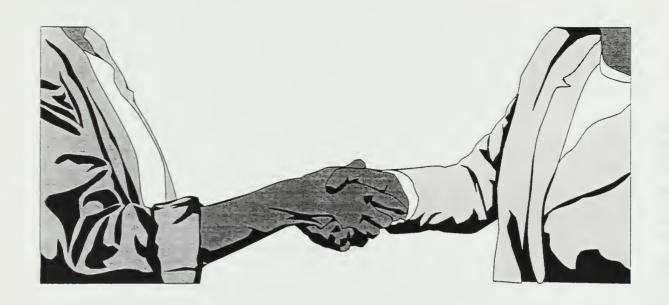


Office of Finance & Accounting



TOTAL COLLECTIONS*

^{*} Excludes interest & miscellaneous income Source: Dept. of Industrial Accidents, Commonwealth of Massachusetts Prepared: September 1995



PERSONNEL & AFFIRMATIVE ACTION

Quality and Diversity

HIGHLIGHT

- A SICK LEAVE Monitoring system was introduced in 1992 and continues to be upgraded.
- Authorized positions increased from 302 to 332 effective as a result of Workers' Compensation Reform Act of 1991.

PERSONNEL

PERSONNEL

The Personnel Office provides centralized personnel administrative functions, exclusive of affirmative action, for the DIA. The principal activities include assisting managers in recruitment efforts, posting vacancy announcements and job advertisements, coordinating civil service list requests, overseeing payroll administration, maintaining grievance records and serving as general liaison with the Commonwealth Department of Personnel Administration. The office also provides administration and clerical support services for the line units of the office.

In fiscal year 1990, authorization was granted for new positions for the newly created Office of the Trust Fund and because of the significant growth experience in the WCTF uninsured caseload and disposition levels, the staff has grown from 17 positions in 1990 to 21 positions in 1995, including five attorneys.

The Department expanded its staff and budget in FY91, when new legislation was passed which provided for authorization for six additional administrative judges, two additional administrative law judges, a senior judge and support staff. Through the same legislation under Ch. 152, S. 11A, the impartial unit was created with an authorization of ten positions and because of the additional functions not anticipated previously, there has been an increase in staff.

The sick leave report established in FY92 which was developed to enable the managers to control the sick leave usage in his/her unit has been successful and the sick leave usage is more in line with the DIA's target of no more than an average of 6 sick days per employee per year.

The DIA has a commitment to its employees to provide training relevant to their current function and to promote their continued professional growth. Training priorities are established in conjunction with the goals of the agency. Programs are offered for all levels of staff and a large number of DIA employees have taken advantage of this opportunity.

AFFIRMATIVE ACTION OFFICE

The Affirmative Action Office was created in 1986, in order to better serve the needs of the DIA community in dealing with the increasingly diverse nature of our agency's workforce and the general public whom we serve.

The Affirmative Action office is responsible for addressing issues pertaining to equal opportunity, and civil rights as they pertains to employees, managers, vendors and clients. The Affirmative Action office also coordinates DIA's Equal Opportunity (EEO) efforts and undertakes initiatives to achieve and maintain a more balanced workforce. In doing so, we work to ensure that minorities, women, people with disabilities and those who served in the Vietnam War are represented at all levels of responsibility and in all areas of operation throughout the agency.

Through educating the workforce, the Affirmative Action Office endeavors to create an employment environment that is appreciative of its diverse employee population. We pilot efforts to increase job and promotional opportunities for DIA employees to ensure equity and diversity in future years.

Our objectives are to achieve a workplace which is free from harassment of any kind and where everyone's differences are accepted and valued, and to provide services to employees and managers which will reinforce and realize this goal of a workplace.

The Affirmative Action office provides a variety of administrative services and educational programs to address issues of discrimination, civil rights, access to opportunity and managing diversity. We respond to questions about EEO/AA and diversity, provide awareness training for employees on sexual harassment, disabilities and EEO/AA, meet with managers to determine AA goals and strategies for achieving them, provide career counseling and other employee services, investigate and resolve complaints of discrimination, including sexual harassment in employment and in access to services at the DIA, review affirmative action plans of vendors holding contracts with the agency, assist in providing reasonable accommodations for qualified employees and clients with disabilities, make hiring recommendations by reviewing impact on DIA's diversity, monitor employment activity in the agency and produce quarterly and annual reports for compliance with affirmative action requirements.

There are federal and state laws and regulations which govern our activities in the Affirmative Action office. We are charged with the duty to uphold provisions of:

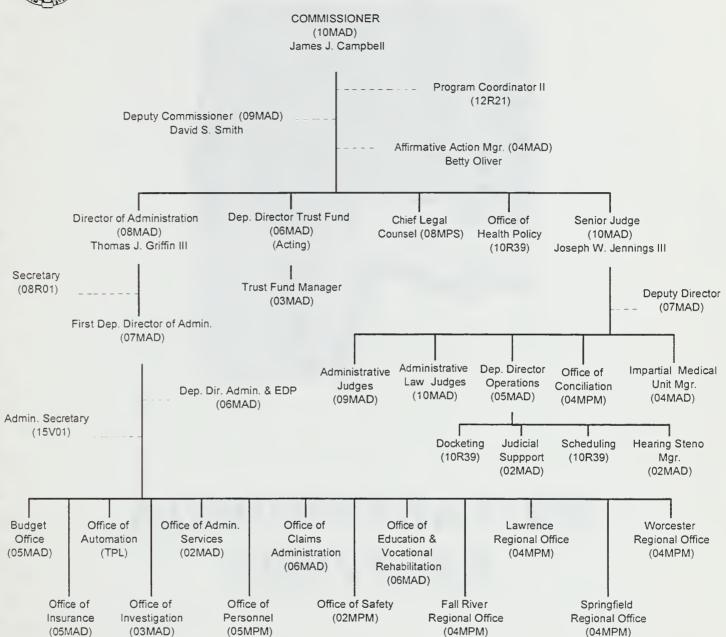
- -The Civil Rights Act of 1964
- -Title VI and VII
- -The Americans with Disabilities Act of 1990(ADA)
- -The Age Discrimination in Employment Act of 1975
- -The Massachusetts Age Discrimination Law (Mass General Law. Chapter 151)
- -Executive Order 246 (Equal Employment/Non-Discrimination for the Disabled)
- -Executive Order 227 (the Governor's Code of Fair Practices)
- -Executive Order 240 (Sexual Harassment)

In addition, Civil Service laws and union bargaining agreements have an impact on DIA's decisions.

STAFFING HISTORY

<u>1990</u>		DIA	WCTF
	Positions Authorized Positions Filled A/O 30 January 90	302 282	17 0
<u>1991</u>	Positions Authorized	302	17
	Positions Filled A/O 30 January 1991	270	2
1992	Positions Authorized	322	17
	Positions Filled A/O 30 January 1992	271	7
1993	Positions Authorized	332	17
	Positions Filled A/O 30 January 1993	288	8
1994	Positions Authorized	332	19
	Positions Filled A/O 30 January 1994	305	15
<u>1995</u>	Positions Authorized Positions Filled A/O 30 January 1995	332 310	21 17





1995 ORGANIZATION CHART



ADMINISTRATIVE SERVICES

Information and Support

HIGHLIGHTS

• The upgrade of the physical plant for the Boston and Regional offices continues.

• Voice communication system update for FY95 has been accomplished.

• The FY95 update of departmental internal control procedures has been completed.

ADMINISTRATIVE SERVICES

I. Physical Plant

A. Boston Office

The main office of the Department of Industrial Accidents continues to be housed at 600 Washington Street, Boston, MA. The Department leases 60,306 square feet of office space and 2500 square feet of storage space. While the rate per square foot of storage space remains at \$5.00, the rate per square feet of office space increases by 50 cents every November 11th, until the lease expires. On November 11, 1994, the rate per square foot increased to \$15.30.

B. Fall River Regional Office

The Fall River Regional Office, which occupies 6067 square feet at 30 Third Street, Fall River, MA, entered into a second amendment to their original lease. which commenced on December 31, 1994, and ends December 30, 1995. During this amended lease period the rate per square foot was decreased from \$15.00 to \$10.00 which has resulted in a \$30,335.00 annual savings to the Department.

C. Lawrence Regional Office

The Lawrence Regional Office, which moved to 11 Lawrence Street, Lawrence, MA in July of 1993, occupies 5800 square feet at a cost of \$10.46 per square foot. The cost per square foot will remain constant until the lease expires in July of 1998.

D. Springfield Regional Office

The Springfield Regional Office, which has been located in a state owned office building since January of 1995, leases 5426 square feet of office space at a cost of \$9.75 per square foot and 589 square feet of storage space at a cost of \$3.00 per square foot.

E. Worcester Regional Office

The Worcester Regional Office occupies 7933 square feet of space at 44 Front Street, Worcester MA. Included in the lease, which has a termination date of September 30, 1996, it is stated that the rate per square foot increases \$1.00 every 12 months. The Department pays for 7500 square feet and the landlord provides the additional 433 square feet at no cost to the Department. In September of 1994, the rate per square foot increased to \$13.00.

II. TELEPHONE SYSTEM

The telephone system software in the Boston office has been updated as improvements become available throughout FY95. Additional outlets and wiring have been installed and software changes have been made to accommodate an increase in users.

III. INTERNAL CONTROL PROCEDURES

The Department Internal Control Plan, which is housed both in our data processing system and in the First Deputy Director of Administration's office, is updated annually by unit managers. There are currently 275 procedures in the Plan

IV. THE PUBLIC INFORMATION OFFICE

See Page 135.



DATA PROCESSING

Keeping Pace with Technology

HIGHLIGHTS

- 1995 Entered the State's Wide Area Network (WAN).
- Established connections to the State Warehouse and Internet (Gateway).
- Established the Systems Network Architecture connection to the OMIS Mainframe (MMARS).
- The Strategic Plan for Automation continues on schedule.

Data Processing has accomplished a great deal in 1995. The use and size of the computer system continued to grow with the purchase of 132 20" PCs and the creation of 120 logins/user accounts on the Network.

Diameter was modified to accommodate the changes in the Hearing/Impartial Exam Procedure. A large number of Freedom of Information requests for information from Diameter were coded, tested, and provided on reports and tapes. Eighty new reports have been added to the Diameter database (this number does not include the many special requests reports).

Data Processing continued to provide technical assistance, hardware, software, operations, systems analysis, testing, training, documentation, and maintenance to the various areas (Administration, Dispute Resolution, etc) which comprises the Department of Industrial Accidents

The Department continues to move towards a paperless system with the following: two studies by C & L, the purchases of hardware (2 scanners, 6 printers, and OSAR-Optic Scanning Reading Device), and the purchase of software (Visual Workflow, Workflow Scan, and Workflow Printing) needed for Imaging Technology and Workflow.

ADMINISTRATION -

Special Requests - Charts, Graphs, Statistical Information, and Reports

Bankruptcy Information

ADMINISTRATIVE SERVICES -

Datafile - Inventory of Furniture and Equipment

Internal Control Procedures

ADVISORY -

Statistical Reports - Quarterly and Annual Statistical

BUDGET -

Wiring and Technical Assistance for PCs

Billing (Late Frs) - Wkly Demands (3 rpts), Monthly Bills (3 rpts), Monthly to Collections (2 rpts)

Billing (Referral) - Wkly Demands (3 rpts), Monthly Bills (3 rpts), Monthly to Collections (2 rpts)

Billing (Assessments) - Wkly Demands (3 rpts), Quarterly (6 rpts), Monthly to Collections (2 rpts)

Billing - Various New Account Summary Reports

Requests - Statistical Data and Reports

CLAIMS -

Late FR Fines - Creating Datafiles Based on Billed Records

Freedom of Information Requests - Continuing and new requests for tapes

Freedom of Information Requests - Requests for new reports and changes to current reports continues to increase.

Liens - Posted from tape

Reports - Dailys (1), Weekly (12), Monthly (11)

COMMISSIONER -

Special Requests - Charts, Graphs, and Statistical Information

Special Reports - For Public Self Insurers and Injury Code Study

DATA PROCESSING -

Study - To do workflow in F & A by C & L.

Study - To develop strategies for a 5 year plan, implementing workflow and imaging through out the agency by C & L.

Network - Established 120 network logins/user accounts for DIA employees

Network - Established connections on the state wide Wan for TCP/IP - Traffic to the State Warehouse and Internet (Gateway)

Network - Established SNA connection to the OMIS Mainframe (MMARS)

Network - Purchased Fyre Utility Smart Metering Software

Network - Purchased Arcada Back-Up Software

Database - Purchased Oracle7 RDMS

Processing Capacity - Processor Upgrade to SUN 690MP

Disk Capacity - Upgrade to SUN 690MP

Memory - Memory Upgrade (256MB) to SUN 690MP

Memory - Memory Upgrade (128 MB) to Novell Server

PCs - Purchased 132 PCs with mini towers for Imaging/Workflow

Sparc5 - Purchased to use as a firewall and gateway

Imaging/Workflow - Equipment purchased - 2 scanners, 6 printers, and OSAR (Optic Scanning Reading Device)

Software purchased - Visual Workflow, Workflow Scan, and Workflow Printing

User Support - Provided Ongoing Support and Training

Diameter - Analysis, coding, testing for reports, screens, functions

DISPUTE RESOLUTION -

Appeal to Hearing, Hearing, and Impartial Exam Interface - Process was changed and programs, screens, and reports were changed to accommodate the new process

Supplemental Exams - Appeal to Hearing screens were changed

Reports - For Impartial Exam Unit - Daily (12), Weekly (15), Monthly (2)

Scheduling - New Judge's Conflicts were added

Scheduling - Of Hearing was changed due to new AH/Impartial Exam Process

Reports - Twelve New Reports Created on Diameter

Reports - Special Reports for the Senior Judge

Reports - For Scheduling and Mgmt - Daily (5), Weekly (25), Monthly (15), Quarterly (7)

Reports - For Conciliation Unit - Daily (1), Weekly (10), Monthly (12)

HEALTH POLICY -

PC_s

Software

Networking

Technical Assistance

INSURANCE -

Reports - For Insurance Loss Run List

LEGAL -

Special Scheduling of Cases

PERSONNEL -

Sick Time Tracking and Abuse Notification Letters Technical Assistance

REGIONS -

Reports and Coversheets

Connection to Boston - Has Been Improved

Response Time - Has Been Improved

Technical Assistance

Hardware

Additional Capacity

SAFETY -

Reports - For Special Projects, For Injury Information

Reports - Daily (1), Monthly (3)

TRUST FUND -

Screens - 5 New Screens created in Diameter

Reports - 34 New Reports created in Diameter
(Including 6 Rpts for Budget for Trust Fund PVs)

Reports - Daily (1), Weekly (7), Monthly (6)

Wiring and Technical Assistance for PVs

Software - Pyramid, Claims & Litigation, Medical Fee Scheduling, and Paperless Office

VOC-REHAB -

R15 (15% Reduction Request to OEVR) - New Event on Diameter

OUTSIDE AGENCIES -

FOI Requests - Analysis, Coding, Reports, Tapes

Fraud Detection - Various

Social Security # Matches (Tapes) - DOR, Welfare, DMA

Data Exchanges (Tapes) - DOR (liens), Various

On Line Access to Diameter - IFB

Reports - Weekly 3 Reports on Scheduled Cases - PERA, AG

Reports - Weekly 2 Reports on Scheduled Cases - 7 State Agencies

Reports - Daily Report On Injuries - AG

NEW REPORT PROGRAMS CREATED ON DIAMETER

		6 YR TOTAL	104 34 13 72 22 22 22 13
6 YR TOTAL	90 4 7 7 17 28 41 50 293	FY 95	22 3 1 1 13 51
FY 95	12 0 3 13 3 8 7 7 34 BDIAMETER	FY 94	118 36 1 1 0 0 8 49
FY 94	18 0 0 3 3 8 8 48		
FY 93	20 1 3 0 2 2 3 2 3 2 1 3 25 8 0 1 0 1	FY 93	23 3 11 0 0 0 0 51
FY 92	23 0 2 10 3 2 1 0 0 41 PROGRAMS	FY 92	22 29 20 30 40 40
FY 91	1 6 6 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Д 01	
FY 90	11 1 0 14 4 5 0 0 0	FY 91	17 5 4 4 7 7 0 0 0
BASE # rpts 7-1-89	43 17 15 15 27 27 0 0	FY 90	10 10 5 0 0 0 15
	Dispute Concil Voc-Rehab Billing Events Tables/Other Impartial Trust Fund		Dispute Concil Voc-Rehab Billing Events Tables/Other Impartial Trust Fund

REPORT PROGRAMS CREATED/UPDATED ON DIAMETER

6 YR TOTAL	194 38 20 128 39 50 63	595	
FY 95	10 10 10 10 10 10 10 10 10 10 10 10 10 1	DIAMETER 6 YR TOTAL	111 0 7 6 0 8 35
FY 94	36 19 16 16	97 S5	0000010000
		REATI FY 94	1 0 0 0 0 0 31 31
FY 93	43 6 7 1 1 3 8 8 0	7	88 0 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
FY 92	4 2 0 7 7 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	87 N PROG FY 92	88
		SCREEN FY 91	00011000
FY 91	23 21 12 17 0	85 NEW FY 90	1 0 0 0 7 7
FY 90	31 11 23 0 0 0	BASE # Scrns 7-1-89	188 29 29 32 32 0 0 123
	Dispute Concil Voc-Rehab Billing Events Tables/Other Impartial Trust Fund		Dispute Concil Voc-Rehab Billing Events Tables/Other Impartial Trust Fund

SCREEN PROGRAMS UPDATED ON DIAMETER

	FY 90	FY 91	FY 92	F-Y 9-3	FY 94	FY 95	6 YR TOTAL
Dispute Concil Voc-Rehab Billing Events Tables/Other Impartial Trust Fund	17 7 10 0 0	7	133	m 0 0 0 9 0 7 0	8 0 0 1 0 0	1 3 0 0 0 0 1	90 90 90 11
	43	33	24	11	24 G MO GET AGG	5 5 3 3 4 4 5 5	140
	FY 90	_			Y 7.	FY 95	6 YR TOTAL
Dispute Concil Voc-Rehab Billing Events Tables/Other Impartial Trust Fund	15 2 4 0 0 50 0	7 7 7 8 8 3 9 0 0 9 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	14 2 6 0 0 32	11 0 0 1 0 10 28	0 0 0 1 1 30 55	1 0 0 3 11	57 114 62 8 14 36

NEW EVENT TYPES ON DIAMETER

6 YR TOTAL	11	
FY 95	1	R15
FY 94	0	M AR
FY 93	m	AW OPTM MHEAR
FY 92	4	S15 VSUIT ARB PEND
FY 91		NOFR
FY 90	2	C37 WFP
BASE # evnts 7-1-89	28	

EVENTS ENTERED ON DIAMETER

302,688	318,328	308,385	300,950	313,791	323,583
06	91	92	93	94	95
FY 90	FY	FY	FY	FY	FY 95
				٠	

NEW COMPUTER EQUIPMENT RECEIVED

BASE 7-1	#equip -1-89	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	6 YR TOTAL
Terminals	218	0	0	20	32	0	0	52
PCs	9	0	0	9	14	116	132	268
Lap Tops	m	0	2	0	0	15	0	17
Printers	*35	0	0	0	0	0	0	0
Laser Printers	13	0	14	0	4	12	9	36
Mini Computers	**2	0	0	0	2	0	0	2
File Servers	0	0	0	0	0	9	0	9
Scanners	0	0	0	0	0	2	2	4
	277	0	16	26	52	151	140	385

* Other Printers (Spin, Line, Draft) which were replaced by laser printers. ** CCI Mini Computers which were replaced by Sun Mini Computers.



FRAUD PREVENTION

Benefits All but the Dishonest

HIGHLIGHTS

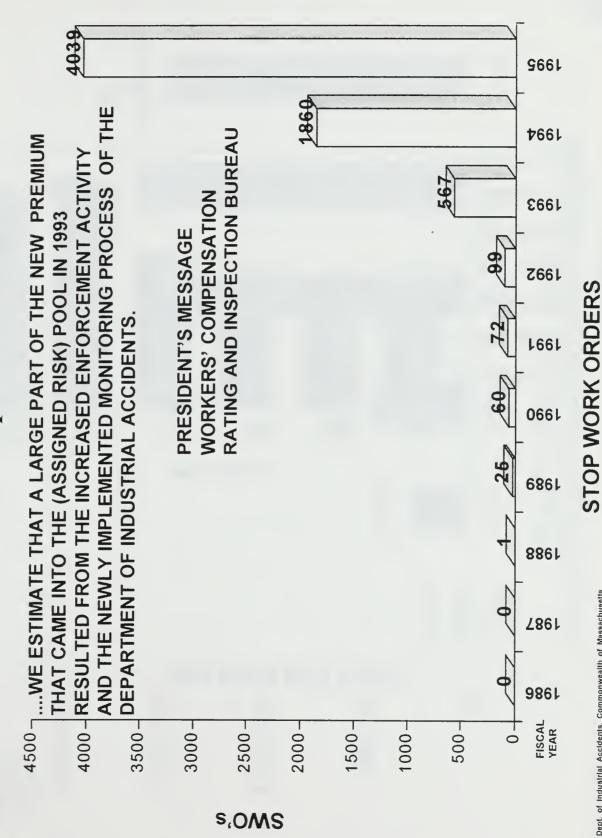
- FY95 investigations and Stop Work Orders continue to increase dramatically, bringing an estimated 180,000 workers under workers' compensation coverage between 1993 and 1995.
- Debt collection efficiency and effectiveness continues to improve.
- Information exchanges between State agencies continues to ensure that State monies are not paid inappropriately.
- Cooperation with the Fraud Bureau (established by Governor Weld's Reform Act) continues to result in substantial savings and a measurable reduction in workers' compensation fraud.

FACT SHEET

RE: Fraud Prevention Activities by DIA:

- 1. Since the Workers' Compensation Reform Act of December 1991, substantial and measurable progress has been made in fraud prevention. While every element of DIA is concerned with and participates in fraud prevention, this report addresses our innovations and results.
- 2. In the area of employer fraud in FY95, DIA conducted 6,713 investigations resulting in 4,039 Stop Work Orders (SWO). Compared with the pre-reform act average of 26 SWO per year, there has been a substantial increase in fraud detection and prevention. In FY95 the direct result was an estimated 44,000 workers brought under the workers' compensation insurance coverage (indirectly we estimate several thousands more were brought under the coverage as a result of our increase enforcement). The Workers' Compensation Rating and Inspection Bureau credits our efforts as a major contribution to the first W.C. premium reductions in two decades. Over the past two years the average premium for Massachusetts employers decreased by more than 25%.
- 3. Efforts prior to 1992 were half hearted, at best, in pursuing and collecting from employers failing to carry WC insurance who had employers injured on the job. In place and operating now is an automated billing and collection system which assures timely billing, referral to collection agency and, if appropriate, court action.
- 4. DIA has established agreements with other state agencies such as the Department of Transitional Assistance, the Division of Medical Assistance, and the Department of Revenue to combat fraud. As an example, in FY95 the Child Support Enforcement Division of the DOR placed approximately 9,000 liens on DIA settlements, collection \$1,476,967.00 from "Deadbeat Dads".
- 5. The workers' compensation element of the insurance industry funded Insurance Fraud Bureau was established in 1991. The public is directed to contact the Bureau to report fraud. The DIA directs callers reporting fraud to call 1-800-32FRAUD (the Bureaus' hotline). Since the Reform Act, DIA is credited with providing approximately 18% of the referrals to the Insurance Fraud Bureau. The Attorney General has stated that prior of 1991 there was only one criminal prosecution for workers' compensation fraud. While subsequent to 1991, 32 cases have been prosecuted by the AG's Criminal Bureau. There has been a dramatic decrease in claims filed with DIA since the Reform Act (a decrease for 40,575 in 1991 to 24,394 in 1995). That decline can be, in part, attributed to our fraud prevention efforts.

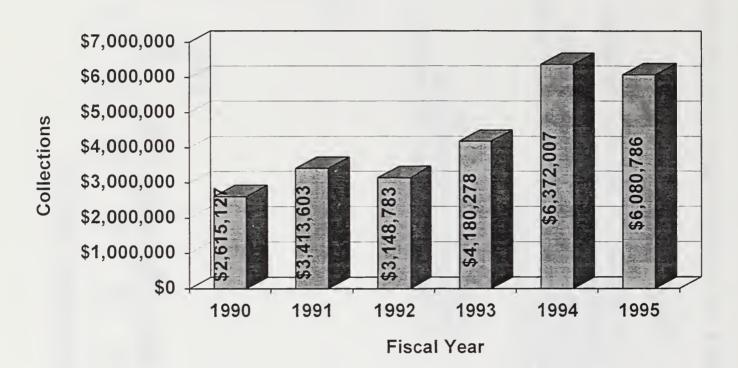
D.I.A. Stop Work Orders



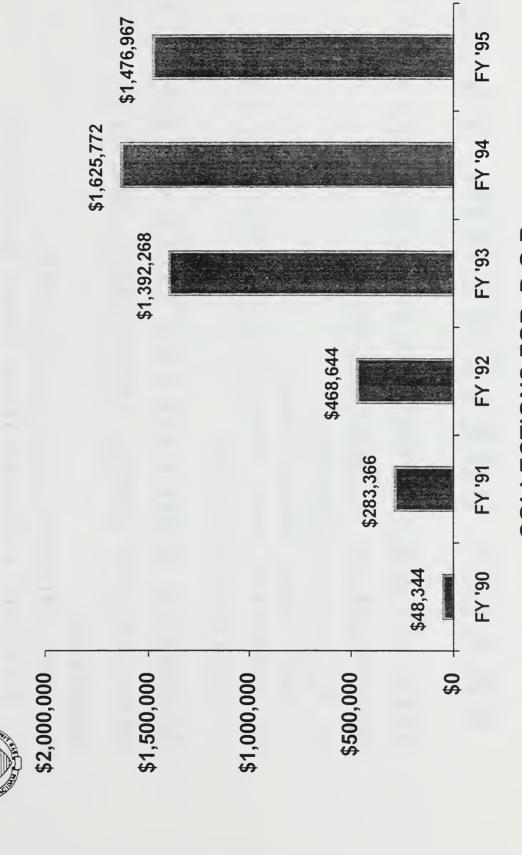




Office of Finance & Accounting



DEBT COLLECTION

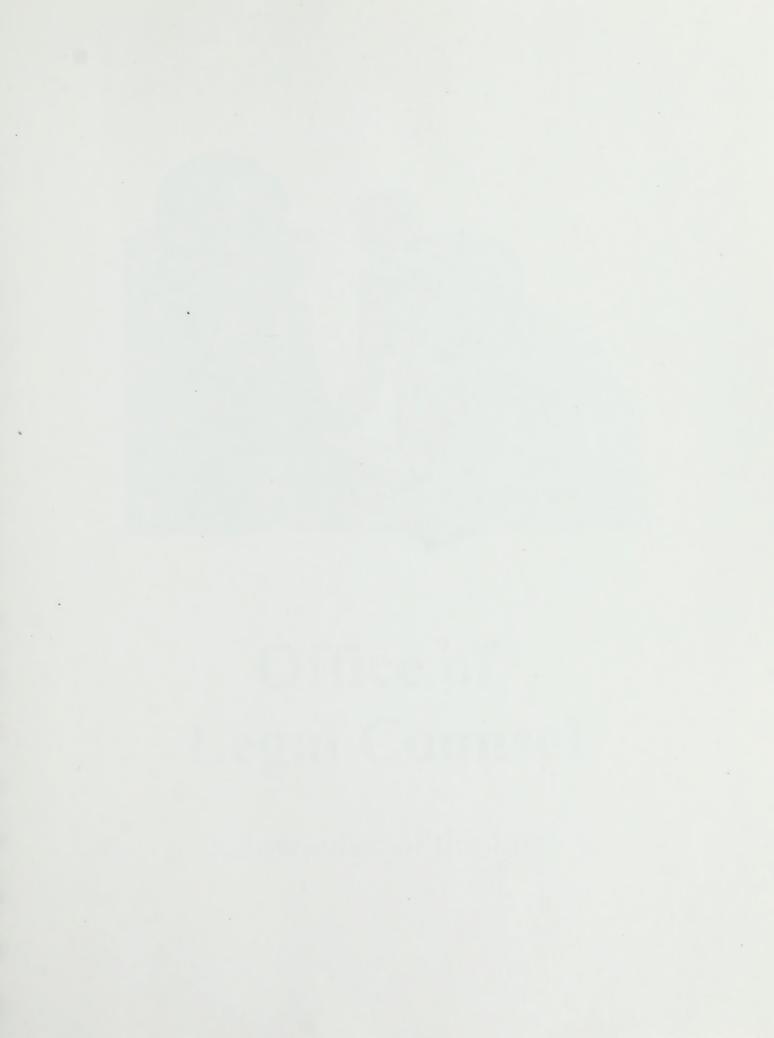


COLLECTIONS FOR D.O.R.
CHILD SUPPORT ENFORCEMENT DIVISION

Department of Industrial Accidents

FRAUD PREVENTION FY 95

- STOP WORK ORDERS to employers who do not have Workers' Comp Insurance.
- 6,713 investigations
- 4,039 Stop Work Orders
- 144,000 workers brought under Workers' Comp insurancecoverage
- PURSUIT AND COLLECTION OF DEBT for the workers'comp. trust fund and other state agencies.
- debt collection increased by 70%
- 1,476,967 collected from "Dead Beat Dads".
- FY95 total collection = \$6,080,786







Office of Legal Counsel

Knowledge of the law

HIGHLIGHTS

- New regulations promulgated following passage of Governor Weld's '91 Reform Act
- Increased volume of litigation involving the DIA due to current challenges to the '91 Reform Act
- Significant growth experienced in WCTF uninsured caseload and disposition levels.

GAL COUNSE

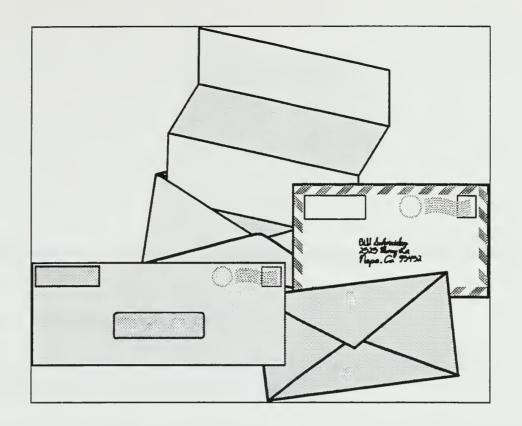
OFFICE OF LEGAL COUNSEL

The Department's General Counsel reports to the Commissioner. The General Counsel is assisted by three assistant legal counsels, a legal assistant and an administrative assistant. Together these positions form the Department's Office of the Legal Counsel which is established pursuant to M.G.L. c. 23E(10).

The Office serves two major functions on behalf of the Department. As part of its function as counsel to the Department, the Office advises the Department on a whole range of matters from rule-making to inter-Agency affairs. The Office also facilitates the Department's legal representation in actions filed by, or against, the Department, and assists in the provision of public information. The Office of the General Counsel is regularly designated by the Commissioner to conduct certain administrative appeals, particularly those relating to insurance coverage and referral fee payment. The General Counsel also serves in the capacity of Special Assistant Attorney General.

As part of its function as counsel to the Workers' Compensation Trust Fund (WCTF), the Office works with WCTF staff to oversee investigation, claims handling and defense of the Fund in claims or reimbursement requests brought under the provision of the Workers' Compensation Act.

The Office also assists the Department relative to certain provisions passed as part of Governor Weld's Reform Act during FY92. While this reform has changed many aspects of the law and the operation of the Department, it has also significantly assisted the Department's ability to defend the WCTF by providing a 20-year statute of limitations on WCTF prosecutions, increasing certain claim requirements and clarifying WCTF lien standings. The Office also regularly consults with outside counsel and the office of the Attorney General in such matters as bankruptcy and collection law, among other critical areas in order to support and augment the legal standing of the Department.



CLAIMS ADMINISTRATION

Filing and Recording

HIGHLIGHTS

- Elimination of backlog on processing, entering and filing forms and records
- Claims processed within 24 hours
- Aggressive education and awareness to employers on first report violations which generated more revenue
- Continued cooperation with other departments on data information and use of third party liens have resulted in substantial savings
- Improved relations with insurance companies' representatives
- Database duplication "cleanup"
- Decline in claims after governor weld's workers' compensation reform act
- Phase II of record room modernization commenced in FY95

The Office of Claims Administration

The Office of Claims Administration is comprised of the following units: Administrative Office, First Report Compliance Office, Claims Processing Unit, Data Entry and the Record Room.

Claims Administrations' role in FY95 strengthened as a result of past legislative, technical and administrative changes. Units working together as a team played a significant factor in meeting OCA's requirements, increased productivity, special projects and enforcing work quality.

As FY95 closed, OCA's goal is a continuation to operate collectively to achieve the maximum production level possible while maintaining a standard of quality. As the year ended, backlogs were eliminated. Opportunities for new technology is of interest to OCA in the future. The following is a summary of each OCA unit:

Administrative Office

One of the major functions of this office is to act as the Keeper of the Records for the DIA. Due to the changes made by internal control procedures as well as increased demands made on the office for certified and file copy requests and subpoenas, it became necessary to increase the staff by adding a Paralegal.

By the end of FY94, all DIA Keeper of the Records depositions were to be conducted by Claims Administration's Administrative Office unless otherwise directed by the court. This office is also responsible for processing subpoenas, holding in-house depositions, representing DIA for court subpoenas, answering all interested party requests and providing certified copies on request.

Pursuant to 452 CMR 7.04, OCA is required to process all complaints regarding controversial claims handling practices during FY95. The complaints are reviewed and an investigation is conducted and a finding is rendered on behalf of the DIA. If necessary, complaints will be referred to other divisions within the state for further review.

This office interacts on a daily basis with the DIA's Legal Counsel and Senior Judge of the Division of Dispute Resolution as well as various divisions within DIA, Department of Employment Training and the Division of Insurance.

First Report Compliance Office

All Employers are required to file a First Report of Injury Form within seven calendar days of receiving notice of any injury alleged to have arisen out of and in the course of employment which incapacitates an employee from earning full wages for a period of five or more calendar days. Employers who violate the provision of M.G.L. Chapter 152, Section 6, three or more times in any year shall be punished by a fine or one hundred dollars for each such violation. Each failure to pay a fine within thirty days of receipt of a bill from the Department shall be considered a separate violation.

After notice of a third violation, each individual violation goes through a five step billing process 30 days apart. A total of five demand notices may be sent. Demand notices began in FY90.

As the end of FY95 closed, an increase in moneys were collected on First Report fines. The reason for this was more aggressive education to employers, and as a result, payments were made as opposed to appeals.

Claims Processing Unit

The Claims Processing Unit (CPU) is responsible for the processing of all incoming DIA prescribed forms as well as general mail with no specific addressee. The CPU is the very important first step in the processing of those DIA forms submitted which, after being data entered, will result in some sort of adjudicatory action.

The CPU has four major functions: to open, sort and date stamp daily all mail that comes into the Office of Claims Administration (OCA); to review (pre-screen) forms for accuracy and ompleteness according to standards established by the OCA; to return to sender those rejected forms that do not meet established standards; to do research on the computer using Diameter to determine current case status and/or case location for forwarding and attachment of forms and case letters/medicals to case files in other divisions and offices of the Department for appropriate action.

Since FY93, FY94 and during FY95, the CPU has consistently received approximately 4000 - 5000 forms each week. This unit had an ongoing backlog in reviewing forms but as FY94 came to a close, the backlog was decreased. As FY95 ended, the CPU processes forms within a day to two days upon mail receipt. Improved relations with Insurance companies; namely, claims reps in form usage.

Data Entry Unit

The Data Entry Unit is responsible for entering all Departmental forms into Diameter's database. This unit receives all claims, reports and forms from CPU. Data Entry performs an automated review for either case creation or update, ensures that duplicate forms are not contained in the database and that all necessary forms have been entered accurately. This unit captures all pertinent data on Workers' Compensation cases. This allows the database to track each individual case from the initial submission of a First Report to the conclusion of a case.

All data entered into the DIA's database generates information for the Office of Safety, Labor and Industries (fatalities and injury types), OEVR (rehab referrals), Investigation (uninsured employers) as well as with the Department of Revenue, Child Support; the Department of Transitional Assistance (provides matches with employees in pay status) and the Department of Public Health (injuries and illnesses in the workplace).

Claims have always been processed within a 24 hour period scheduling Conciliations. Claims continue to decline. As FY94 ended, backlogs were decreased on First Reports and Insurance forms. At the close of FY95, backlogs were eliminated.

A high volume of duplications have occurred over the years and Data Entry's emphasis was focused on deleting and consolidating duplicate cases not only in the database but also on case records during FY95.

Record Room

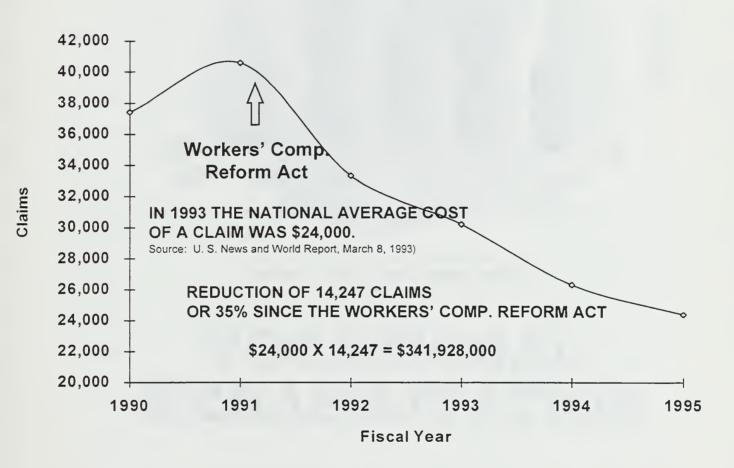
The Record Room is the central depository for all Departmental case files and transactions produced by our four regional offices as well as Boston. The Record Room, located in DIA's Boston office, is responsible for filing all Departmental forms after Data Entry input, retrieving and keeping track of all files and documents pertaining to cases in the Dispute Resolution process as well as other divisions in the Agency.

As FY94 closed, the Record Room's backlog dramatically decreased and priority for FY95 was focused on a 24 hour timeframe on filing returned cases. Throughout the years, an overall lack of space and storage facilities impeded the organization of the Record Room. As a result, an extended duty of the Record Room has resulted in continuous archiving of cases.

During FY95, a higher level of quality control was implemented at the archival stage; namely, to consolidate outgoing regular files and red ropes. In FY95, the Record Room began another phase of its modernization; separate color coded folders.



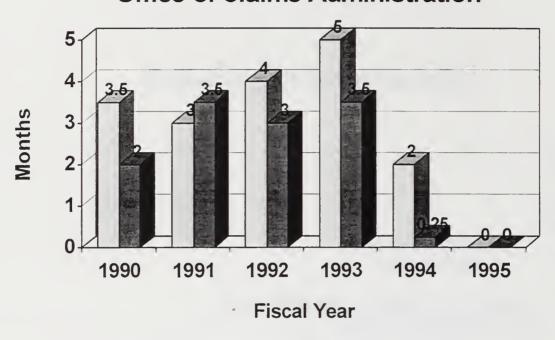
Office of Claims Administration



WORKERS' COMPENSTATION CLAIMS FILED

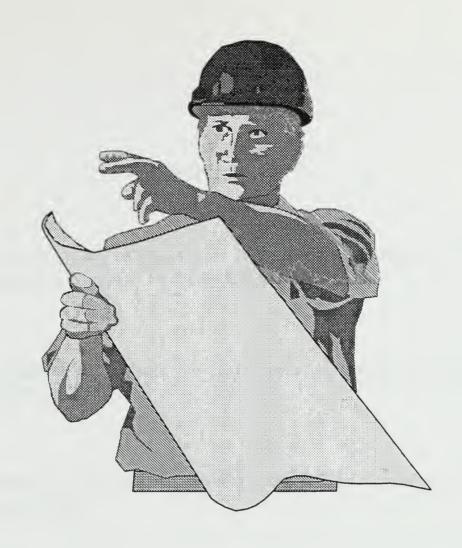


Office of Claims Administration



☐ Insurance Forms ■ First Reports

DATA ENTRY BACKLOG HISTORY



VOCATIONAL REHABILITATION

A SWIFT RETURN TO WORK

HIGHLIGHTS

- 20% decrease in referrals for vocational rehabilitation services tracks overall decrease in claims filings
- Percentage of cases requiring team meetings continues to grow to where they occur in 31% of all cases
- Percentage of injured employees successfully returned to work remained steady
- OEVR operations upgraded in respect to automation and standardization

THE OFFICE OF EDUCATION AND VOCATIONAL REHABILITATION

The Office of Education and Vocational Rehabilitation (OEVR) oversees the provision of non-medical vocational rehabilitation services to injured workers. OEVR is presently headed by a Director and is staffed by thirteen Rehabilitation Review Officers, eight Disability Analysts and five Clerks.

OEVR annually approves vocational rehabilitation specialists who meet professional, educational and other requirements established by OEVR. OEVR accepts applications for approval on a year-round basis and annually issues a list of all approved providers. 105 such providers were approved for FY '95. The number of approved providers may well decrease in the future for reasons relating to trends in claims filings, the increased use by insurers of providers who provide multiple services relating to workers' compensation and other disability claims and the further enhancement of approval criteria.

Rehabilitation Review Officers (RROs) interview prospective candidates at a mandatory meeting to determine their suitability for vocational rehabilitation services. The RRO recommends suitable individuals to insurers for assignment to a provider approved by OEVR. The RROs monitor the quality and cost-effectiveness of services through a review of all Individual Written Rehabilitation Programs (IWRPs) and reports submitted by the approved providers. The RROs also conduct team meetings to identify problems and restore or redirect the rehabilitation process towards a successful conclusion. The percentage of team meetings has climbed over the past three years to where they presently occur in 31% of those cases referred to insurers and self-insurers.

The Director hears, on behalf of the Commissioner, all appeals relating to determinations of suitability. The Director, on behalf of OEVR, issues consents to lump sum settlements in cases where the employee has been deemed suitable for vocational rehabilitation services but has not completed an approved program or returned to continuous employment for a period of six or more months. The Director also issues decisions relating to requests to reduce employee's weekly compensation by fifteen (15%) for refusal to participate in vocational rehabilitation. In fiscal year '95, 48% of such requests were authorized.

Fiscal year '95 saw a continuation of a trend exhibited over the past five years in respect to decreasing numbers of vocational rehabilitation referrals to OEVR. This may be due to a number of factors. One factor relates to the manner in which OEVR counts its referrals. In the past, all claims were considered "potential" referrals whereas in recent years only actual referrals are counted. Also, Disability Analysts continue to pre-screen injured

workers for more appropriate referrals to the RROs. Most importantly, there has been an overall significant decrease in workers' compensation claims brought to the DIA which has had a corresponding effect on the number of vocational rehabilitation referrals.

Of those referred to OEVR in fiscal year '95, 88% had a mandatory meeting for a determination of suitability for vocational rehabilitation services. The other 12% were screened out for reasons that include the non-establishment of liability or that the employee was not on compensation.

Of those workers seen for a mandatory meeting, 48% were referred to the insurer/self-insurer for vocational rehabilitation services to be provided by an OEVR approved provider. The others were not referred either because no liability had been established, the employee was not on weekly compensation, had been released by the physician to return to work, did not have significant functional limitations, was too severely disabled, or where it was otherwise determined that the provision of reasonable and necessary vocational rehabilitation services were not feasible.

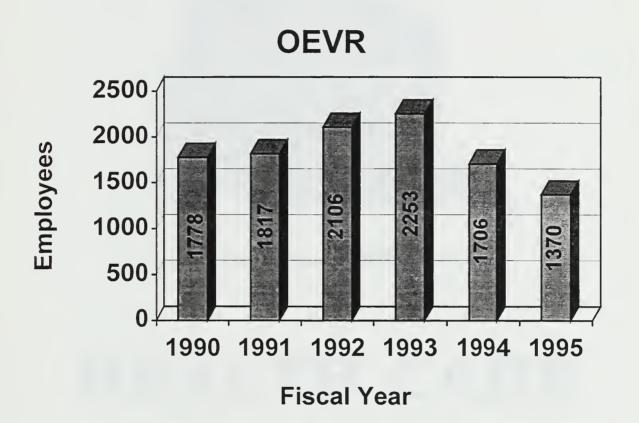
Of those referred by OEVR to insurers, 59% of the employees had IWRPs approved by OEVR resulting in 48% successfully returning to work. Approximately 20% of those injured workers who successfully returned to employment following completion of vocational rehabilitation returned to work with the same employer. Overall, approximately 25% of those completing vocational rehabilitation received retraining. These statistics may be affected in the future by state and federal laws emphasizing return to work with the former employer and with increased impetus for reasonable accommodation/job modification under the Americans With Disabilities Act.

OFFICE OF EDUCATION AND VOCATIONAL REHABILITATION

Success Rate (% of Return to Work after plan development)	40%	51%	58%	51%	50%	48%
Return to work	376	493	583	554	470	391
IWRP approved	930	952	1,010	1,078	948	811
Referrals to Insurer for VR	1,778	1,817	2,106	2,253	1,706	1,370
Mandatory Meetings	2,810	2,887	3,367	3,882	3,190	2,833
Referrals to OEVR	6,893*	6,328*	6,014	4,494	3,756	3,219
FY	06	91	92	93	94	95

*estimated from available records.

THE DEPARTMENT OF INDUSTRIAL ACCIDENTS



FOR VOCATIONAL REHABILITATION



HEALTH CARE INITIATIVES

Defining Good Treatment

HIGHLIGHTS

- OHP oversees utilization review and quality assessment program and the 44 approved UR agents;
- OHP's systems development team publishes a request for proposal for a workers' compensation medical utilization tracking and trending tystem;
- OHP revises 452 CMR 6.00 et seq., the utilization review and quality assessment regulation;
- OHP implements a system for fielding, responding to, and tracking program complaints;
- OHP staff consultant undertakes research of legal and policy issues relevant to the medical reforms on a regular basis;
- OHP editorial and communications division is established;
- OHP begins development of reimbursement methodology;
- OHP initiatives have sparked nationwide interest and lead to regular communication with other states;
- OHP worker health initiatives have been published by Faulkner and Gray;
- OHP staff take on various public speaking engagements;

OFFICE OF HEALTH POLICY

The Commissioner created an Office of Health Policy (OHP) in FY94 to address and oversee the health care reforms required in the workers' compensation system, including the implementation and enforcement of the DIA's Utilization Review and Quality Assessment Program promulgated July 1, 1993. OHP also liaises with, and provides support to, the Health Care Services Board (HCSB) and the Medical Consultant Consortium (MCC). In addition, the Office of Health Policy monitors state and national legislation, develops relevant policies for implementation of the medical reforms, provides statewide educational programs on the reforms, and undertakes such other health policy initiatives as the Commissioner shall direct.

Since the implementation of the 1991 workers' compensation reform, OHP has defining and refining its functions. OHP is currently comprised of several internal functions, all of which maintain a certain level of autonomy while interacting with each other. These functions are devoted to:

- overseeing the utilization review program and the 44 approved UR agents, reviewing new applications and developing educational materials regarding the program;
- systems development, including database creation and maintenance;
- receiving and responding to complaints regarding the UR program;
- investigating preferred provider arrangement (PPA) compliance with 452 CMR 6.00;
- researching nationwide workers' compensation laws regarding medical cost containment and monitoring MA legislation relative to medical reforms;
- development of a reimbursement methodology, including a Request for Reimbursement Medical Audit Manual for all providers and workers' compensation insurance carriers.

Accomplishments by the Office of Health Policy in FY95 include: publication of Medical Utilization Tracking and Trending System (MUTTS) Request for Proposal (RFP); revision of the Utilization Review regulations 452 CMR 6.00 et seq., scheduled for public hearing in FY96; participation by various staff members in professional conferences across the country; hosting the Eastern Association of Workers' Compensation Boards and Commissions (EAWCBC) fall conference; publication in Faulkner and Gray's Medical Utilization Management Directory; entrance into an ISA with Public Employee Retirement Administration (PERA); negotiating entrance into an ISA with U-MASS Boston; provision of five (5) educational programs for its agents; development of a Vocational Rehabilitation Billing Tool; development of a Request for Reimbursement Medical Audit Manual; drafting an application for a Robert Wood Johnson Foundation grant to fund the implementation of the new Tracking and Trending System; publication of CompJournal Newsletter.



HEALTH CARE SERVICE BOARD

Quality Medical Care

Health Care Services Board

Pursuant to M.G.L. c.152 §13, the Health Care Services Board (the HCSB) is a medical advisory body of 13 members defined by the statute and appointed by the Commissioner. In addition to a departmental representative and ex-officio Chair also appointed by the Commissioner, the HCSB again included consulting counsel in FY95, and for the first time, consulting administrative and support staff to help manage its affairs. Responsible for reviewing and investigating complaints against medical providers, developing eligibility criteria for the appointment of physicians to the §§8(4) and 11A impartial rosters, and the development of medical treatment guidelines for appropriate and necessary care to be delivered to ill and injured workers throughout the Commonwealth, the HCSB discharged its responsibility well in FY95.

The Board and its sub-committees met monthly or more often throughout FY95. With the addition of HCSB-dedicated administrative staff, the Commissioner established an HCSB office to help maintain the Board's confidential complaint database and related files, centralize its other materials and concentrate all its related activities in one departmental location.

A. Complaints

The HCSB is required to receive and investigate complaints against medical providers regarding discrimination against workers' compensation claimants, over-utilization of procedures, unnecessary procedures, or other inappropriate treatment of injured workers. In FY95, the HCSB resolved its legal issues of investigatory immunity and established a series of procedures for receiving and responding to provider complaints, then introduced a new complaint form and began to process §13 complaints accordingly.

B. Treatment Guidelines

Under §30 of Chapter 152, the Commissioner is required to ensure that adequate and reasonable health care services are provided to injured workers by utilizing medical treatment guidelines endorsed by the Health Care Services Board. Twenty-five (25) treatment guidelines were endorsed in FY94 and put into use throughout the Commonwealth. In FY95, while endorsing the original twenty-five for continued use, the HCSB set about to create three brand new guidelines and improve three of the existing ones by revision.

In FY95, premier medical publisher Faulkner & Gray, asked for and received permission to publish Massachusetts' original twenty-five treatment guidelines in its national compendium of medical guidelines, the only state guidelines so honored.

In FY95, in collaboration with the Department and Dr. Troyen Brennan of the Harvard School of Public Health, a team of researchers based at Arizona State University published the now-landmark "Zenith Project" involving HCSB treatment guidelines. When the researchers applied HCSB guidelines to a California claims data set of 36,000 injured workers, their analysis suggested that a large amount of care was given to those workers may have been inappropriate, and that "significant" savings would have occurred if the California providers had adhered to Massachusetts guidelines. Specifically, the researchers estimated 61% of the total amounts paid could have been saved if the California providers had used Massachusetts' guidelines.

C. Impartial Criteria

Pursuant to M.G.L. c.152 §§11A and 8(4), the HCSB is required to develop eligibility criteria for the Senior Judge to use in making appointments to the impartial physician rosters. The HCSB issued the criteria in FY94 and continued to discuss revisions to them in FY95, most notably with respect to medical residents participating in the impartial examinations.



Impartial Medical Unit

Appeals of Conferences

HIGHLIGHTS

- Established in 1992 pursuant to the Governor's workers' compensation reform act.
- 510 physicians participating as of close of FY95.
- 7618 Impartial physicians exams scheduled in FY95.

THE IMPARTIAL MEDICAL UNIT

The Impartial Medical Unit was established in 1992 pursuant to M.G.L. c.152, ss.11A, (2), 8(4) and is responsible for scheduling, monitoring and managing medical examinations. This function includes receiving and entering appeals, filing fees, examinations and refunds. The Impartial Unit's recurring budgetary expenses include depositing filing fees, requesting payment to be issued to physicians, requesting refunds of filing fees, supplies and other general offices expenses. The unit is headed up by the Impartial Unit Manager and is authorized staff consisting of one administrative assistant seven clerks, and two accountants.

Our goal in implementing the 1991 Reform legislation was to be the first State to institute an Impartial Medical Unit in the process of workers' compensation claims. The initial effect was to limit the impact of "dueling doctors" phenomenon and to expedite the handling of workers' compensation claims. The Impartial Unit utilized a roster of impartial physicians who examine injured employees and provide medical input to be considered as prima facie evidence on medical issues at Hearing.

Employees are examined by an impartial physician who has been screened and placed on the Impartial Physician Roster. The physicians on this roster have met the criteria required by the Health Care Service Board, the Senior Judge and a Judges'Sub-committee, through guidance provided by the Medical Consultant Consortium. The one examination system with a qualified physician expedites timely resolutions of cases. An employee will receive benefits and treatment when warranted, and insurers will no longer pay for extended and unreasonable care.

On July 1, 1992, the first Impartial Physicians Roster was provided to the public so that the parties in dispute, with the advice of counsel, could select their impartial physician.

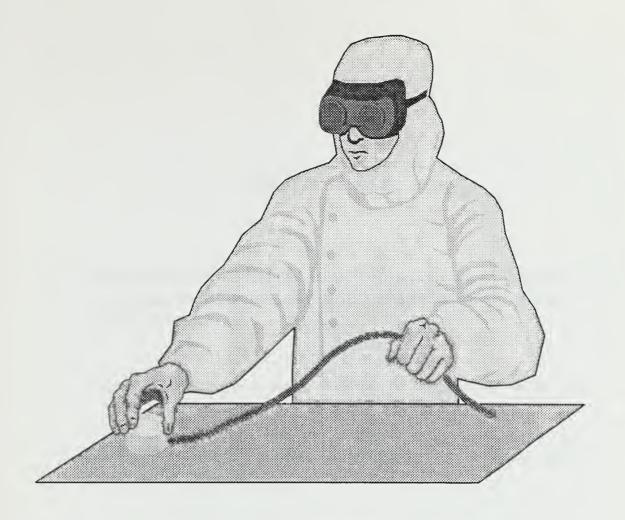
From July, 1992 through October 1992, fees were processed and exams were scheduled. Further recruitment efforts were made to increase the number of physicians on the Impartial List. The first medical reports were given to the Administrative Judges to address medical issues of workers' compensation claims.

In December, 1992, the Health Care Services Board, in conjunction with the Medical Consultant Consortium, created a Triage Module which provides assistance to Administrative Judges and parties to a case in selecting the appropriate specialty for a particular case.

In January, 1993, new regulations were implemented allowing parties to opt out of the impartial physician process in specific circumstances, and allowed refunds of the filing fee. A new administrative process was implemented by the Impartial Unit to adapt to the new regulations.

IMPARTIAL PHYSICIAN PROGRAM

	FY'95
MD's Under Contract	510
Exams Scheduled	7,618
Exams Completed	4,787
Refunds	479



OFFICE OF SAFETY

Promoting a Safe Workplace

HIGHLIGHTS

- DIA has funded a total of 87 preventive training programs targeting a wide variety of workers and industries within the Commonwealth.
- Our programs have trained over 24,000 employees/employers.
- Over 95% of the participants rated the program they attended as excellent or good.
- Workers' compensation insurers paid \$864,022,814 for indemnity payments, medical bills and death benefits in calendar year 1993. In calendar year 1994, the cost was reduced to \$674,740,528.

OFFICE OF SAFETY

The Office of Safety provides Occupational Safety and Health Safety and Education Training for employees and/or employers of industries operating within the Commonwealth and whose entire staff is covered under the Massachusetts Workers' Compensation Law (M.G.L. 152).

Under the Provisions of Massachusetts General Law, Chapter 23E, section 3, the Department of Industrial Accidents (DIA), Office of Safety is responsible for establishing and supervising programs which entails the education and training of employees and employers in the recognition, avoidance, and prevention of unsafe or unhealthy working conditions. Responsible for advising employees and employers of these issues surrounding the work environment. To fulfill this mandate, the Department awards funds to qualified applicants based a competitive selection process of Request for Proposal (RFP).

The overall objective of the education and training programs is to reduce work related injuries and illnesses by "establishing and supervising programs for data collection on workplace injuries, along with;

- A. Identify, evaluate, and control safety and health hazards in the workplace;
- B. Foster activities by employees/employers to prevent workplace accidents, injuries, illnesses;
- C. Make employees/employers aware of all federal and state health and safety standards, statutes, rules and regulations that apply, including those that mandate training and education in the workplace.
- D. Refer employees/employers to the appropriate agency for abatement procedures for safety and health related issues.
- E. Target preventive educational programs for specifically identified audiences with significant occupational health and/or safety problems.
- F. Encourage awareness and compliance with federal and/or state occupational safety and health standards and regulations.
- G. Promote understanding among employee and employer groups of the importance of ongoing safety health education and training programs and help to begin such efforts.

- H. Encourage labor/management cooperation in the area of occupational safety and health prevention programs.
- I. Encourage collaborations between various groups, organizations, educational or health institutions to devise innovative preventive methods for addressing occupational health and safety issues.

Request for Proposal (RFP) process FY95

During the past six fiscal years, the Massachusetts Department of Industrial Accidents (DIA) has issued its RFP for the Office of Safety's "Occupational Safety and Health Education and Training Program". To date, the Department has funded a total of 82 preventive training programs targeting a wide variety of workers and industries within the Commonwealth. These DIA programs have trained over 20,000 people.

The program has an annual budget of \$400,000.00. The Office of Safety publishes RFP annually to notify the general public that grants are available. In FY 95, proposals could be submitted up to a maximum of \$30,000.00.

In FY 95, 560 announcement letters were mailed to various industries throughout the Commonwealth. As a result of these announcement letters and the advertisements published in the regional newspapers, the Office of Safety issued over 200 RFP's.

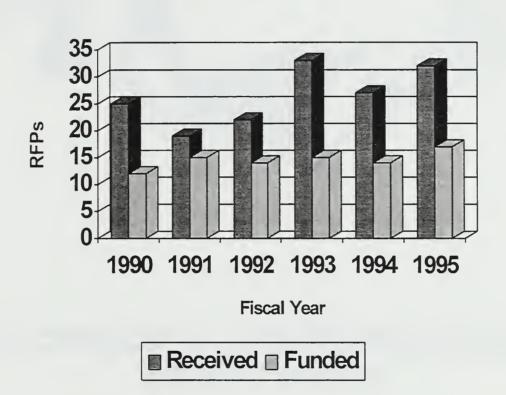
Of the 200 RFP's issued, the Department receives an 32 requests for funding (proposals). Of these approximately 50% receive funding.

A uniform criteria to competitively evaluate all proposals received is developed by a Proposal Selection Committee, appointed by the Commissioner. The Committee recommends a list of qualified applicants for funding. Upon approval of this list by the Commissioner, contracts are awarded. A total of 17 were awarded in FY 95. Over 95% of the participants rated the program they attended as excellent or good.



THE DEPARTMENT OF INDUSTRIAL ACCIDENTS

Office of Safety



Number of RFPs Received vs.
Number of RFPs Funded



WORKER'S COMPENSATION TRUST FUND

Ensuring that all are covered

HIGHLIGHTS

• A new claims management computer system commenced in FY' 95. This new system is intended to increase the efficiency of claims management, and in turn lower cost

• The Trust Fund continues a rigorous collections effort for reimbursements from uninsured employers

WORKERS COMPENSATION TRUST FUND

Created by statute under M.G.L. c. 152 §65, the Workers' Compensation Trust Fund administers the compensation program for parties bringing compensation claims under the following sections:

- (a) § 34B -- Cost of Living Adjustments (COLA)
- (b) § 35C -- Latency Injury Adjustments
- (c) § 37 -- Second Injury Claims
- (d) § 30H -- Vocational Rehabilitation
- (e) Approved Claims Against Uninsured Employers
- (f) § 26 -- Fellow Worker Claims
- (g) § 37A -- Disabled War Veteran Claims

Revenue for the Fund is generated by assessments, interest and penalties paid by or underwritten by private, public and self-insurers, which are assessed through quarterly billings and calculated charges by the DIA.

The staff of the Trust Fund has worked to balance the need to fulfill the statutory obligations against our desire to keep assessments on the employers as low as possible. Several steps have been taken to reach this cost-effectiveness goal in FY95.

In the area of defending claims against uninsured employers our efforts have been aimed at reducing expenditures and recovering moneys owed by uninsured employers. A new claims management computer system commenced implementation in FY' 95. This new system is intended to greatly increase the efficiency of claims management, and in turn lower cost on a case by case basis.

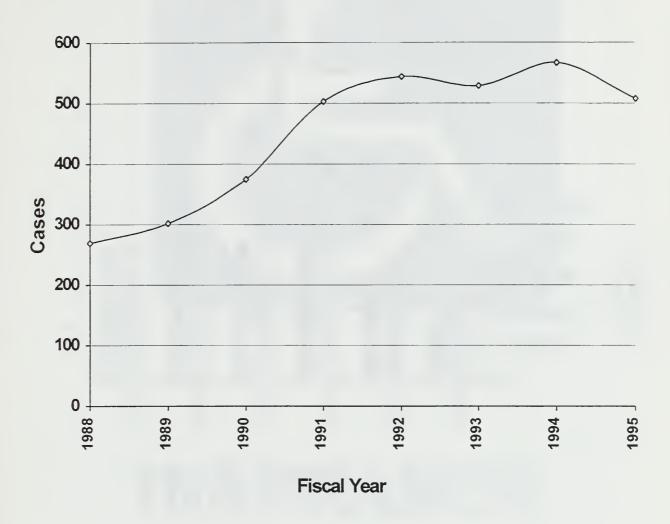
Additional staff has been added to facilitate the claims management process. The Trust has significantly reduced the average length of disability, while also lowering medical expenses by review of treatment. These actions have produced the first ever reduction in FY expenditures, as moneys paid out for uninsured employee claims was lowered by approximately \$700,000 in FY' 95.

The Trust Fund continues a rigorous collections effort for reimbursements from uninsured employers. While the Department was improving the collections process, the Trust has seen substantial increases in employer reimbursements to the Fund from 1990 through 1995. To facilitate this collections effort, DIA has contracted with a collection agency, a bankruptcy firm, an asset search company, and an outside legal team to assist with collections.

In the area of § 37 Second Injury Cases, giant strides have also been made. The processing of claims filed has greatly accelerated, lowering the overall time frame from filing to settlement to just under one year. Furthermore, the management of Second Injury claims has saved the employer community over \$5,000,000 through aggressive defenses of claims filed against the Trust. In FY' 95 the Trust Fund resolved approximately 312 Second Injury petitions, with total payments in excess of \$8,000,000.



THE DEPARTMENT OF INDUSTRIAL ACCIDENTS

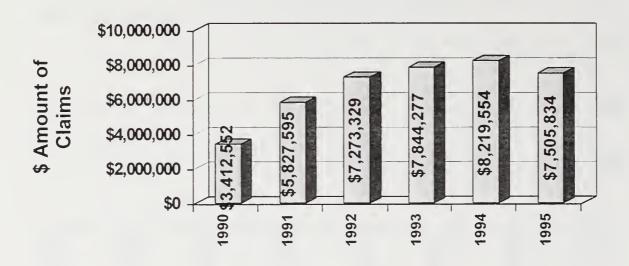


Number of Claims Filed Against the Workers' Compensation Trust Fund



THE DEPARTMENT OF INDUSTRIAL ACCIDENTS

Office of Finance & Accounting



Fiscal Year

Uninsured Employee Claims Paid from Workers' Compensation Trust Fund



INSURANCE AND SELF-INSURANCE

Ensuring Protection for Workers

HIGHLIGHTS

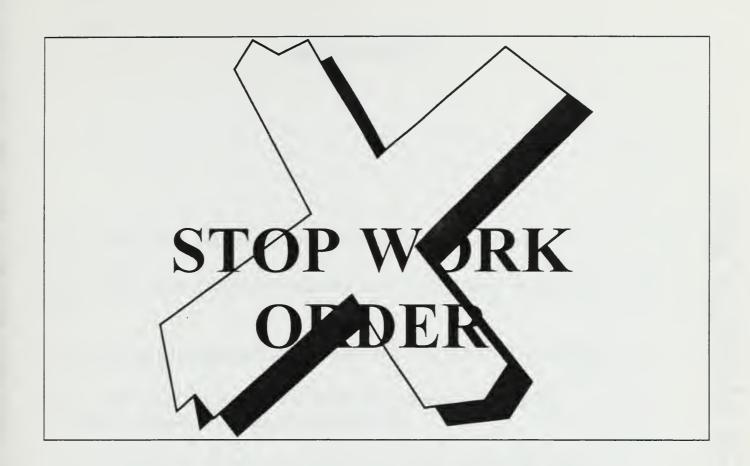
- PROOF-READING OF 2,000,000 INSURANCE RECORDS MICROFILMED IN 1994 CONTINUES IN 1995
- IN FY95, ISSUED AND RENEWED 227 SELF-INSURER LICENSES
- SELF-INSURED COMPANIES ARE PROVIDING 564,000 EMPLOYEES WORKERS' COMPENSATION IN MASSACHUSETTS
- IN FY95 THE NUMBER OF LICENSED COMPANIES HAS REMAINED STABLE AT 736, A FAVORABLE REFLECTION OF THE DRAMATIC REDUCTION IN WORKERS' COMPENSATION RATES

OFFICE OF INSURANCE

On November 15, 1943, the Workers' Compensation Law which was originally enacted in 1913 became compulsory for all employers. As a result, self-insurance became allowable in Massachusetts and the Office of Insurance was created on that same date. The Office is headed by the Director of Insurance and staffed with eight people.

The primary responsibility of the Office of Insurance is to license corporations and their subsidiaries who choose to self-insure their workers' compensation liabilities. Before a license is issued, strict financial analysis is performed in order to insure the corporation's ability to pay all its' claims. The Office also determines the bond amount and reinsurance limits, as required by statute, to pay employee benefits and medical expenses in the event the company is unable to pay claims or ceases operations. Presently, there are 227 corporations covered by licenses issued by this Office. These are the largest, strongest, and most solvent corporations doing business in the Commonwealth. If these companies were insured, they would generate in the aggregate an estimated \$388,000,000 in workers' compensation premiums. Together these companies employ approximately 564,000 people in Massachusetts. The amount of deposits held as collateral furnished to the State Treasurer and collected by the Office each year is in the billions of dollars.

The Office also serves as a repository for insurance records information which serves as a vital reference resource for employees who file claims to receive payment for their workers' compensation. Last year the Office completed a comprehensive program of microfilming its insurance records for employees of Massachusetts from 1955 to 1991. This project greatly streamlines and expedites research to determine the correct insurance carriers when a compensation claim is filed. The ongoing examination of these records in 1995 for the purpose of detecting photographic flaws and errors of omission will guaranty the readability and completeness of individual employer insurance coverage records.



INVESTIGATIONS

Ensuring compliance

HIGHLIGHT

- Stop Work Orders increased from 1,860 in FY 94 to 4,039 in FY 95.
- The Office of Investigations conducted over 12,000 total investigations in FY 95.
- Fines collected increased from \$166,600 in FY 94 to \$370,271 in FY 95.
- Unit featured in the Summer 95 edition of the **Journal of Workers**Compensation highlighting its achievements.
- Unit strengthened its ties to local and state licensing officials through a dedicated database aimed at uncovering uninsured businesses during the permit application/renewal process.

OFFICE OF INVESTIGATIONS

The Office of Investigations is responsible for the investigation of allegations of workers compensation fraud by employers. Employer fraud can take several forms. The most significant form is a company operating without mandatory workers compensation insurance.

The mission of the DIA Office of Investigations is the audit of Massachusetts employers to ensure that they are operating with insurance coverage as required under MGL 152, Section 25A. Companies found to be operating without insurance are issued Stop Work Orders by the unit's investigators. The businesses are required to remain closed until sufficient evidence of insurance is presented to the DIA. In addition to the closure, companies are fined at a rate of \$100.00 per day, which accrues from the date the Stop Work Order is issued until the date insurance is presented and the fines are paid.

In fiscal year 1995, the changes made to the Office of Investigations in fiscal year 1994 continued to show marked improvements and results contributing substantially to the reduction in workers compensation costs to Massachusetts businesses.

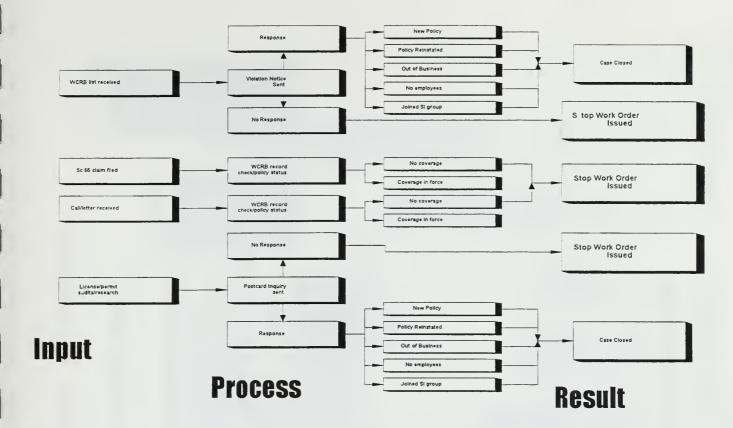
The unit continued software developments initiated in FY 94 by making the MS-Access database known as **I-Spy** more compatible with Workers Compensation Rating & Inspection Bureau data through ongoing refinements and upgrades. The Office could literally track the progress of an investigation from initial contact on through the Stop Work Order process all at the press of a button. This automation and efficiency, unheard of just a few years ago, showed the dramatic transformation of this long dormant unit.

These computer hardware and software upgrades, as well as improved investigative training resulted in a 41% increase in investigations conducted for a total of 12,378. Investigation staff were now responsible to attend intensive quarterly in-house training sessions. These sessions moved the investigator's focus away from being a "process server" and towards development of extensive "white collar" investigative skills. Skill development included a unique "pseudo marketing" approach to developing "leads" to uncover uninsured businesses operating within the Commonwealth. The unit also pioneered the issuance of job-site/same day investigations in FY 95. These investigations involved an on-site inspection by the investigator of workers compensation coverage of all contractors. Anyone found to be operating without workers compensation was immediately issued a "Stop Work Order" faxed from the Boston DIA office. This ability to rapidly crackdown on uninsured contractors was continually praised by legitimate businesses, as well as organizations, such as the Foundation for Fair Contracting.

The unit's notoriety and successes were heralded in a story written in the Summer 95 edition of The Journal of Workers Compensation entitled "One State's Battle." The focus of the story included not only Stop Work Orders but also emphasized the unit's fraud fighting successes in areas such as employee leasing, corporate leapfrogging and payroll misclassification. The Office's victories resulted in many inquiries for assistance from other states as diverse as New Hampshire and Nevada looking to duplicate Massachusetts' success in coverage investigation with little or no additional resources.

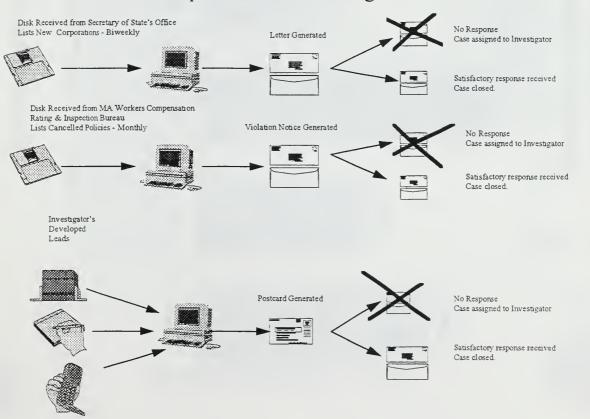
As a result of the dramatic increase in total investigation in FY 95, Stop Work Orders also increased by 22% for a total of 4,039. This figure, although high, demonstrated the increased efficiency of the unit, as well as the severity of the problem of uninsured businesses in Massachusetts.

The Office also initiated a closer scrutiny of local/state building and inspection services. A database of officials was created to ensure that the requirement to check for workers compensation under MGL 152, Section 25C was being enforced.



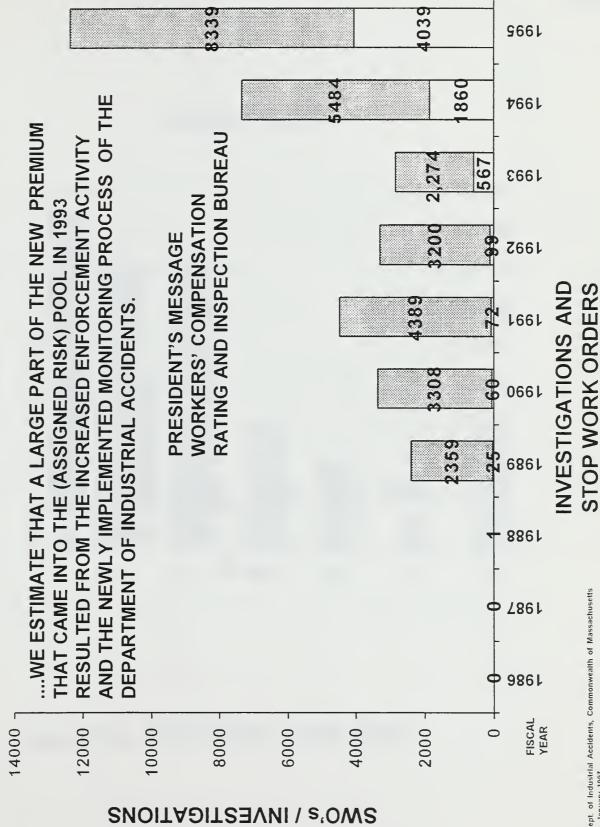
Investigations Work Flow Diagram

Pre-Stop Work Order Investigations



Source: Massachusetts Division of Insurance

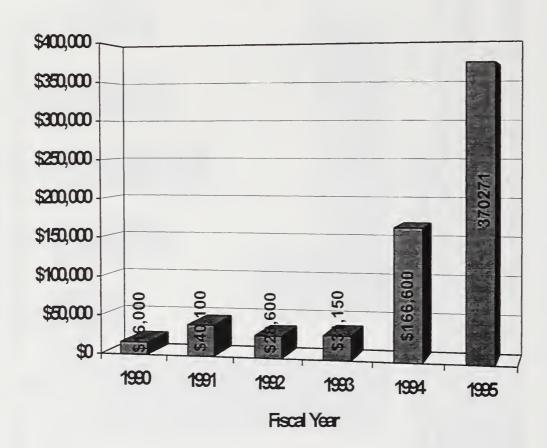
Investigations for Compliance



BSCPRITX

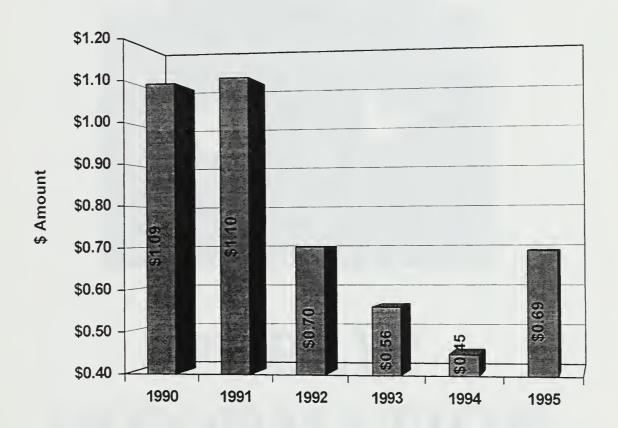


Office of Investigation

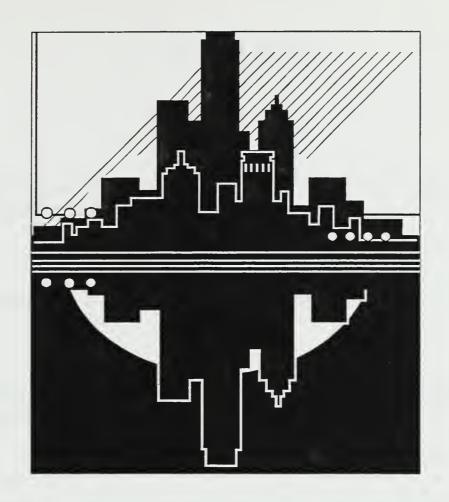


Stop Work Order Fines Collected





PROVIDERS' LOSS RATIO



PUBLIC INFORMATION

To Serve and Inform

HIGHLIGHTS

- Revised and expanded "Your Guide to Workers' Compensation", the employee guide sent to all injured workers
- Developed a comprehensive lump sum settlement guide
- Provided writing, editing, and presentation assistance to department managers
- Developed media to promote department goals to general public

PUBLIC INFORMATION OFFICE 1995

The Public Information office, an element of Administrative Services, is staffed by a Public Information Officer III, four Program Coordinator I's, and a Clerk IV.

The responsibilities of the Public Information office are diverse. Their primary duty is to inform all interested parties about the Massachusetts workers' compensation system; the law, the rules, and the policy and procedure of the Department of Industrial Accidents. The major conduit for this information is via a toll-free phone line, manned by the program coordinators. They provide up-to-date information to injured workers, employers, attorneys, and insurers. Writing, editing, and updating informational brochures is another important duty of this unit. The information office is responsible for writing and distributing an informational brochure to all injured workers, as required by state law. The information unit provides writing and editing assistance to department managers on other projects.

The information unit played a major role in the writing and editing of the department's required annual report. The unit has incorporated new computer hardware and software to improve the internal publication, the **DIA NEWS**. Other brochures written by the unit include an employer's guide, a guide to lump sum settlements, various instructions for filling out department forms. The information also liaisons with the regional offices. A program coordinator is assigned as a liaison with each office, to help ensure good two-way communications.

The personnel in the information unit require a good deal of training. They much possess in-depth knowledge of workers' compensation law and all aspects of department functions, as well as being able to answer general questions regarding the policies and procedures of the agency. Each person in the office must develop an in-depth knowledge of one area of the agency, and serves as liaison to the manager in that area.

A question and answer document is maintained and updated by the unit. This provides the information unit personnel, regional managers and other departmental personnel with a single source document for up-to-date answers to the most frequently asked questions about the workers' compensation system.

The personnel in the information unit must be aware of the duties and responsibilities of all department supervisors, and managers, in order to accurately route calls to the proper source of the expertise and advice.

Information unit personnel receive ongoing training to keep apprised of any changes in the law and/or department policy revisions. Training ranges from informal meetings and memos from department managers, to formal training such as Department of Personnel Administration courses, Massachusetts Continuing Legal Education seminars, and other outside courses and seminars, when required.

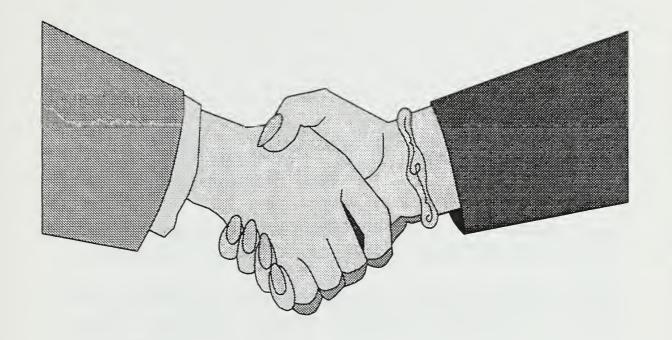
The information unit was one of the first in the department to be trained on, and use, various Microsoft word processing and desktop publishing software. The unit has produced several publications using this software, including:

The DIA NEWS - an employee newsletter
YOUR GUIDE TO WORKERS' COMPENSATION -- injured workers' guide
EMPLOYERS' GUIDE TO WORKERS' COMPENSATION
Master copies of new forms
General correspondence
Generation of graphics for print and video projects
Multi-media presentation
Input for DIA annual report
Other projects as assigned

The Clerk IV fills the 'operator' position. She attends the switchboard, and directs incoming calls to the appropriate party. The operator answers the TDD-line for the hearing-impaired, and troubleshoots problems with the phone system. The operator also helps with the bulk mailing of the employee guide, to a mailing list compiled from incoming Form 101s, as required under M.G.L. 152, and is assigned various other tasks by the administrative services manager.







DISPUTE RESOLUTION

Swift and Just Resolution

HIGHLIGHTS

- Waiting time to see a judge at conference decreased from 7.3 months in FY'92 to 2.6 months in FY'94. FY'95 was comparable to the previous fiscal year at 2.8 months.
- The reduction in time (44% from FY'92 FY'94) associated with cases awaiting a hearing date prevailed during FY'95 at 2.25 months.
- There continued to be no conference or hearing backlogs excepting normal scheduling queues awaiting assignment to judges' conferences/hearing cycles.

DIVISION OF DISPUTE RESOLUTION

The Department's adjudicatory affairs are conducted by the Division of Dispute Resolution. Dispute Resolution is divided into five units: the Industrial Accident Board, the Reviewing Board, Conciliation, Operations and the Impartial Medical Unit. The primary responsibility of the Division is to resolve disputed cases. The Industrial Accident Board is comprised of up to 30 Administrative Judges who adjudicate disputed cases from an initial Conference to a final Hearing. The Reviewing Board, comprised of six Administrative Law Judges, functions as the appellate body of the DIA. This Board handles appeals of decisions made by Administrative Judges. The Operational function within the Division of Dispute Resolution is comprised of four components: Judicial Support, Docketing, Scheduling and Hearing Stenographers. These units are staffed by approximately 80 employees each providing support to the Judges.

THE CONCILIATION UNIT

The Conciliation Unit conducts the first proceedings on all contested claims, representing roughly 30,000 cases per year. The Unit was formed in 1986, and enhanced by the 1991 reforms. At Conciliation an informal attempt is made by a Conciliator to resolve the issues in Dispute. If an agreement is not reached the dispute may be forwarded to a Conference before an Administrative Judge. The Unit has consistently resolved approximately 50% of all cases including those cases that are withdrawn, referred to Lump Sum Conference, Conciliated, etc. The Unit has met its statutory time frame by scheduling Conciliations within 12 days of receiving a claim or complaint, and there has never been a backlog at Conciliation. The 1991 Reform made the Conciliation Unit a part of the Division of Dispute Resolution, granted authority to review Lump Sum Agreements and approve them as complete, and extended the Conciliator's authority to withdraw cases where certain filing requirements have not been met.

THE INDUSTRIAL ACCIDENT BOARD

The 1991 Reform Act brought many changes to the Dispute Resolution process, including the creation of a Senior Judge position, six additional Administrative Judges, two additional Administrative Law Judges as well as an Impartial Medical Unit. The chronic existence of a large case backlog has long been one of the most serious, expensive and widely discussed problems of the Workers' Compensation System in Massachusetts. In the past, backlogs had been temporarily reduced, but any reductions proved to be short lived as some Conferences were scheduled but no provisions were made for the resulting appeals to Hearings.

While the 1991 legislation had provided a temporary increase in the number of Judges, what also was needed was an administrative and scheduling system to coordinate and complement the additional personnel and revised statue to ensure the expeditious resolution of disputed claims. The plan implemented was created to not only address the sizable Conference backlog, but the objective was designed to accommodate moving the appealed cases from one queue(Conference) to another (Hearing). The number of cases awaiting a Hearing date had risen dramatically and needed to be addressed, thus the Judges' schedules were modified to accommodate this increase.

The number of cases awaiting a Conference decreased significantly between FY90 through FY94, from a high of 9,227 at the end of FY91 to 1,537 as of June 1994. As a result, the average length of time parties waited to appear before an Administrative Judge decreased as well from 7.3 months to 2.6 months. During FY93 the most dramatic decrease resulted when 25,548 Conferences were scheduled, an increase of 45.4% over FY91 and 29% over FY92. Simultaneously, the Hearing queue had been reduced from a high of 3,262 at the end of FY92 to a low of 983 in FY94, a 44% reduction. FY95 saw approximately 67% of the cases scheduled for Conference resolved. Approximately 16,134 cases were scheduled for Conference and 10,847 of those cases were settled. As for Hearings, 9,076 were scheduled and 6,133 were resolved during FY95.

With the Impartial Medical process being implemented simultaneously with the training of the new Judges, the impact of this process was experienced immediately. A resource of 500 to 600 physicians, representing 36 medical specialties, were available to examine injured employees. During fiscal year 1993, the first year of the impartial medical system, 2,916 exams were completed. The following fiscal year (FY94) 4,725 exams were achieved, while in FY95 4,787 examinations were completed by the DIA's roster of impartial physicians.

THE REVIEWING BOARD

Although the reduction in the Conference and Hearing queue's brought more expeditious resolution of matters for parties appearing before the Industrial Accident Board, it also resulted in an increase in the number of appeals being filed with the Reviewing Board. Currently, appeals are being filed at a rate of 750 annually. The Senior Judge and the Reviewing Board developed new and more efficient methods for expeditious processing of appeals. One such development has been the Pre-Transcript Conference. The parties are brought in to narrow the issues and/or determine alternative resolution. In July 1994, the Senior Judge initiated a new case assignment system for the Reviewing Board, two panels were named to serve for an extended period and each month each panel is assigned 36 appeals to accommodate new filings as well as to continually reduce the inventory of

appeals. In addition to the appeals, the Reviewing Board continues to conduct Lump Sum Conferences, s.46A petitions and to hear motions for expedited Conferences. During FY95, the Reviewing Board filed 141 decisions, submitted 187 Summary Affirmations and approved 3,340 Lump Sum settlements.

THE OPERATIONS UNIT

Employees within the Operations Unit implement and administer a number of different functions designed to augment and complement the DIA's statutory adjudicatory mandate. While the Employees, Supervisors, and Mangers primarily interface with the Judges, they also regularly interact with the Impartial Medical Unit, Conciliation Unit, and various units within the Division of Administration and parties who have matters before the Division of Dispute Resolution.

The Scheduling unit is responsible for maintaining the schedules of Administrative judges and Administrative Law Judges (Lump Sum Conferences only) calendars, the distribution of Board files and processing rescheduling requests.

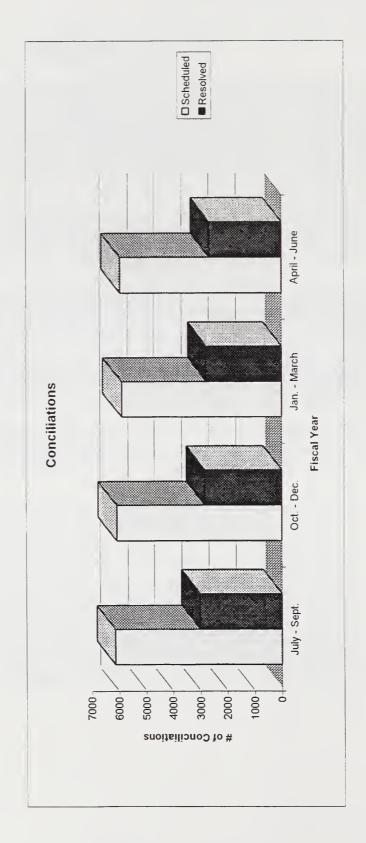
The Judicial Support Unit consists of Administrative Secretaries and Principal Clerks and provides administrative support to all of the Administrative Judges and Administrative Law Judges.

The Docketing Unit handles all computer system changes for the Judges as well as any specialized scheduling.

The Hearing Stenographer Unit is responsible for taking verbatim testimony at Hearings conducted by Administrative Judges and providing completed transcripts to Judges, the Reviewing Board, or parties to cases.

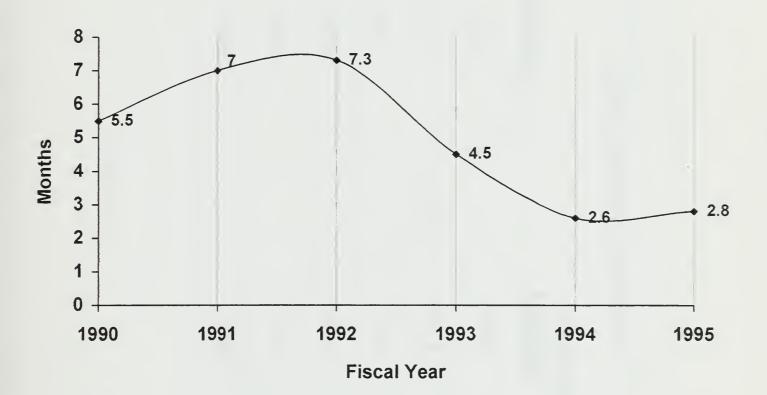
Conciliations FY'95

Resolved	3009	2838	2770	2665
Scheduled	6126	6072	5893	5950
Quarter	July - Sept.	Oct Dec.	Jan March	April - Junc





Dispute Resolution



CONCILIATION TO CONFERENCE TIMEFRAMES

CONFERENCES/HEARINGS

SSNI	Resolved	5,634	5,672	5,861	6,867	7,034	6,133
HEARINGS	Scheduled	7,682	7,368	7,093	9,515	10,406	9,076
FERENCES	Resolved	9,936	8,993	9,621	14,147	8,118	10,847
CONFE	Scheduled	18,296	17,567	19,794	25,548	16,054	16,134
		FY'90	FY'91	FY'92	FY'93	FY'94	FY'95

23 -Jun + ~ j 24 May May 26. ≥ 4p 72 15. Feb Conferences/Hearings FY'95 ÷ 9 18-Jan 4 Jan Week 21. Dec - - Dec 22. Nov - 6 2 26. Oct Note: During FY95, Seven (7) Administrative Judges were off - Ime (i.e., reappointment, illness) 8 2 28. Sep 5.4 Sep 17. Aug 3-Aug 6-300 2000 1500 1000 900 a of Conf.Meadings # Heark

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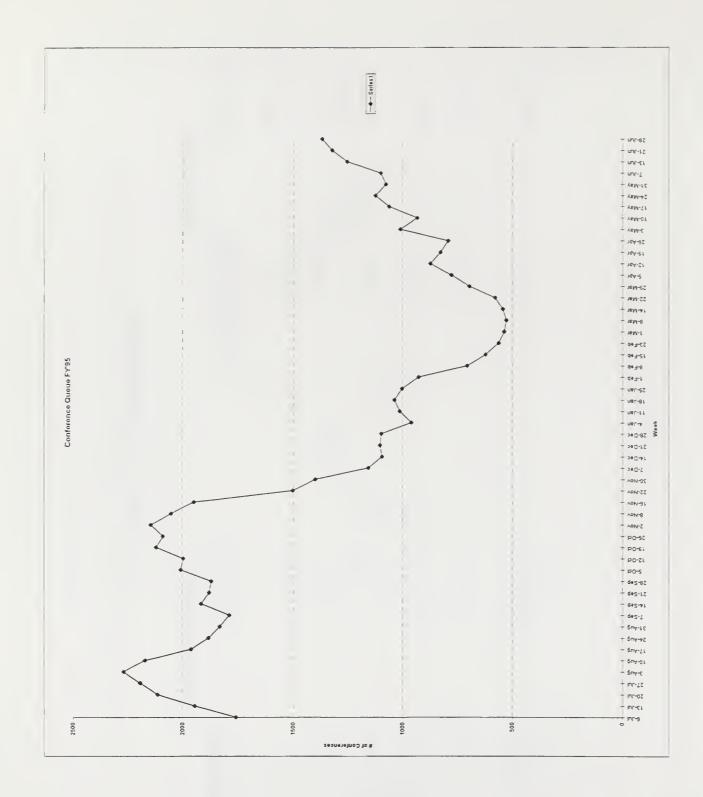
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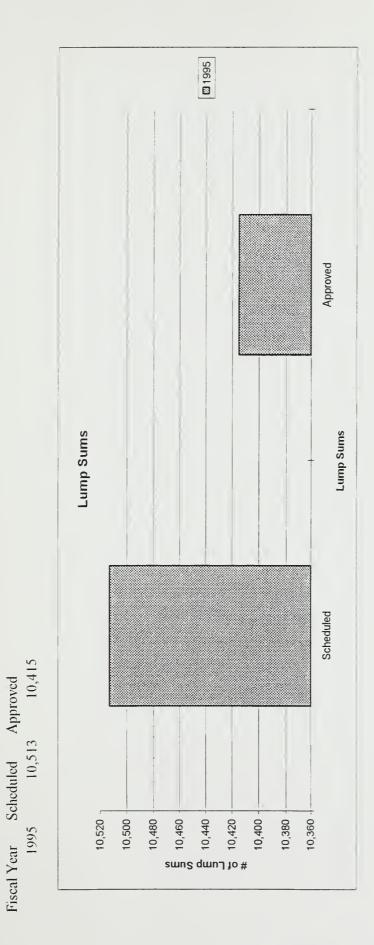
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Hearings FY'95
Week of # Hearings







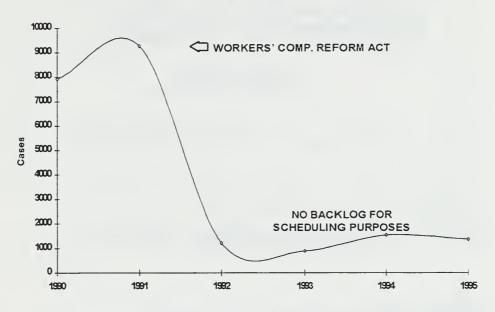
SUMMARY

Summary DIA 1995 Annual Report



THE DEPARTMENT OF INDUSTRIAL ACCIDENTS

Dispute Resolution



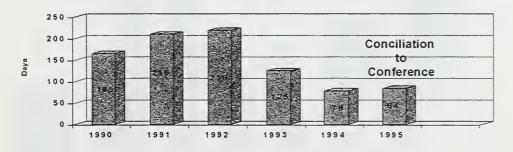
CONFERENCE STATUS



THE DEPARTMENT OF INDUSTRIAL ACCIDENTS

Dispute Resolution

WORKERS' COMP. REFORM ACT



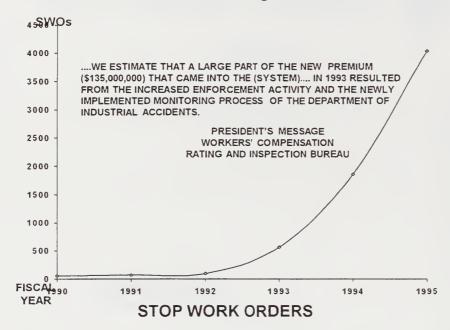
TIME TO SEE JUDGE*

^{*}As of 31 Deceach year Source: Dept. of Industrial Accidents, Commonwealth of Massachusetts Prepared: January, 1996

Summary DIA 1995 Annual Report

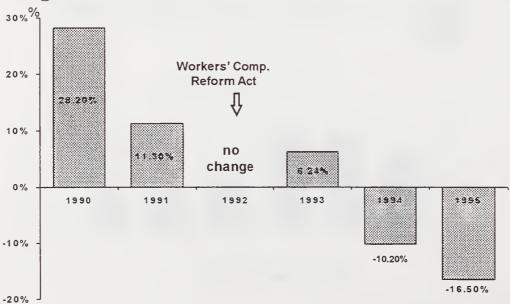
FIFE DEPARTMENT OF INDUSTRIAL ACCIDENTS

Office of Investigation



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THE DEPARTMENT OF INDUSTRIAL ACCIDENTS



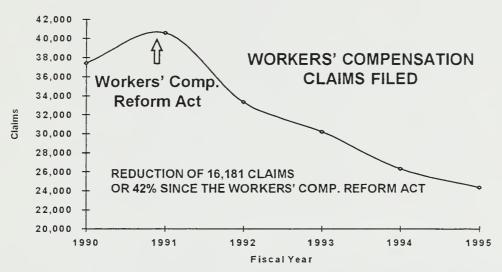
RATE CHANGES IN EMPLOYERS' PREMIUMS

Prepared: January, 1995

Summary DIA 1995 Annual Report



Office of Claims Administration

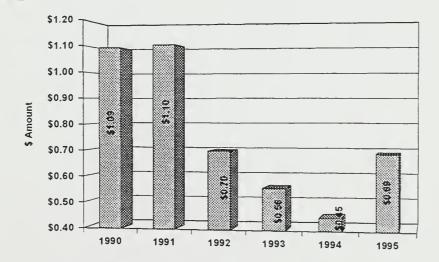


WORKERS' COMPENSTATION CLAIMS FILED

Source: Dept. of Industrial Accidents, Commonwealth of

Massachusetts Prepared January, 1995

HE DEPARTMENT OF INDUSTRIAL ACCIDENTS



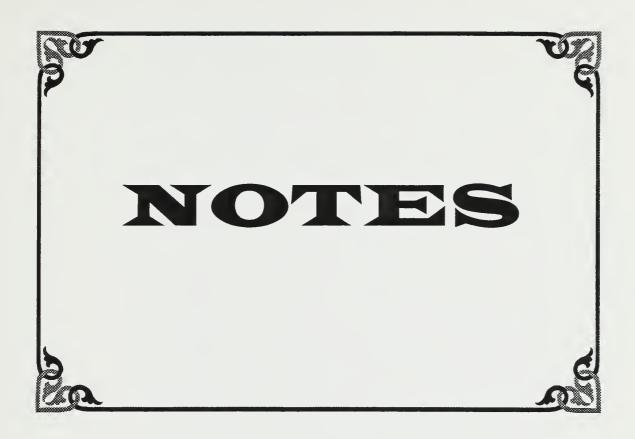
PROVIDERS' LOSS RATIO

Source: Workers' Compensation Rating & Inspection Board, Commonwealth of Massachusetts

Prepared: January, 1995







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